



- During this webinar:
- Keep the chat window open throughout the entire webinar. We will be taking questions through the chat window, and we would like to answer all of your questions. You can use it at any time to send questions to the speakers (please send to “Everyone” or “All Panelists”).
- To find your chat window if it doesn’t pop up automatically, drag your cursor to the bottom of the WebEx window. There are several icons including one that looks like this (below) for the chat. When the icon is blue, your chat window should appear within the WebEx.
- All participants will be muted to ensure the best sound quality. Please use the chat to ask your questions at any time. We will address them during the presentations as appropriate, or during the designated times for Q&A.





LA County Center for Financial Empowerment
COVID Conversations

CalSavers: Financial resiliency for a post-COVID workforce

May 18, 2021

Katie Selenski, Executive Director
CalSavers Retirement Savings Board

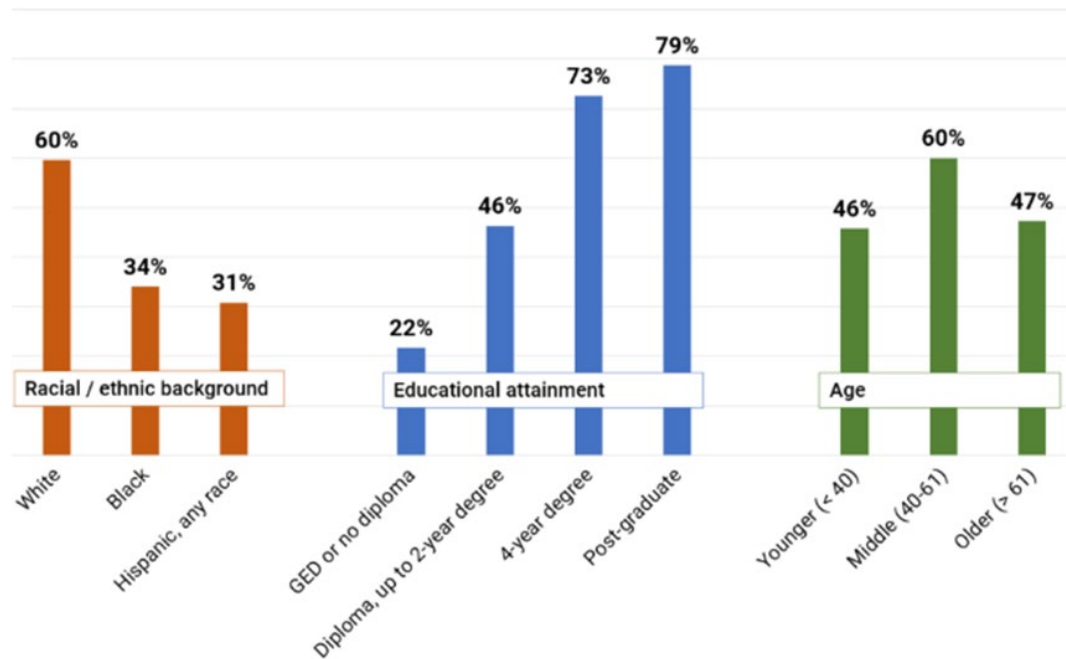


Disparities in Retirement Access



Who Has Retirement Accounts?

In looking at retirement accounts—e.g. 401(k)s—along demographic lines, data show that retirement accounts are more prevalent among white, college-educated and middle-aged American families.



- 1) Younger Americans:** Less wealth than their parents did at a similar age.
- 2) Racial gaps:** Only 1 in 3 non-white families nearing retirement had a defined-contribution plan.
- 3) Education matters:** Just 22% of families headed by someone with a GED or lower had a retirement account.

Source: Federal Reserve Board of Governors Survey of Consumer Finances (2016) and Center for Household Financial Stability calculations.

Why is CalSavers needed?



CalSavers by the numbers

50%

Nearly **50%** of Californians are projected to retire into economic hardship -- at or below two times the federal poverty level.¹

7.5 million

7.5 million Californians lack a workplace retirement plan.²

15X

Workers are **15 times** more likely to save for retirement if they have access to a payroll deduction savings plan at work.³

How CalSavers addresses the Access Gap:



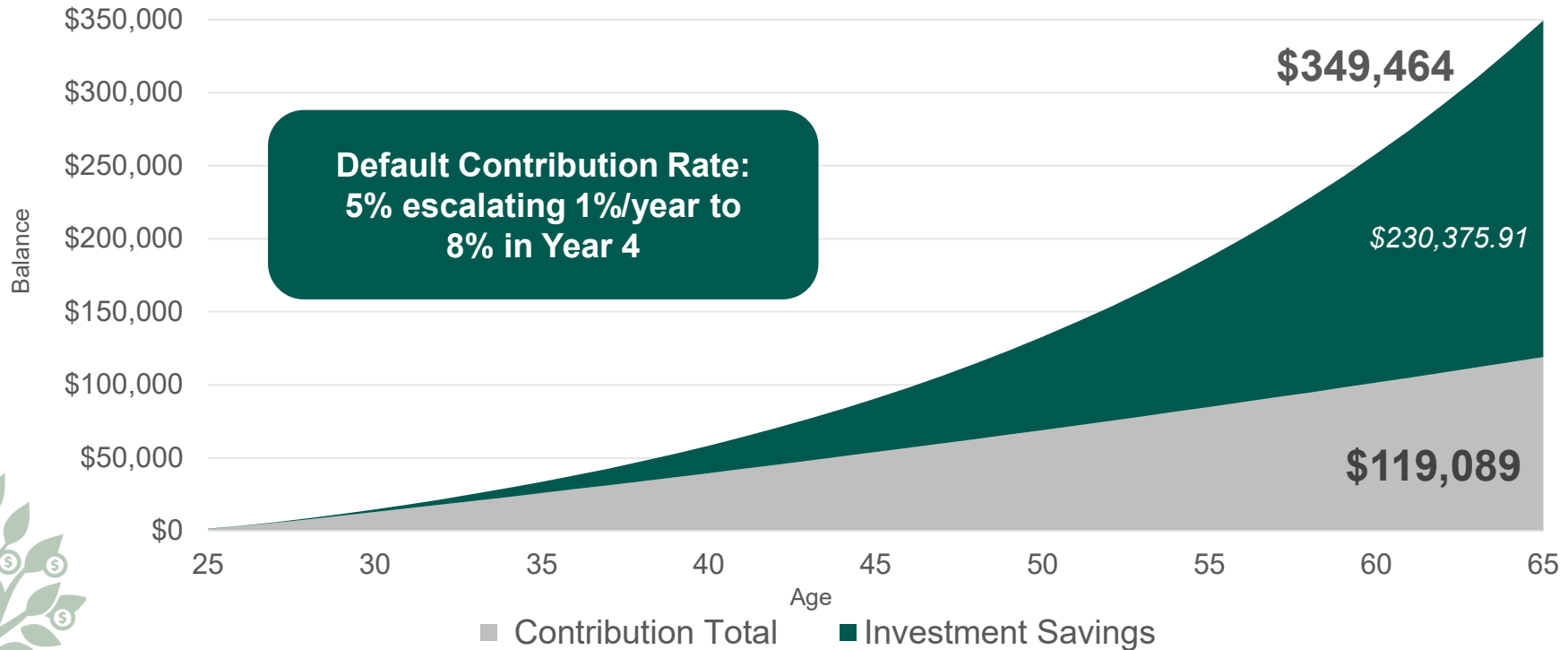
- 1) Employer Requirement:** All CA employers who do not offer a retirement plan and have 5 or more employees must facilitate CalSavers
- 2) Automatic Enrollment for Employees:** completely voluntary for employees, but automatic enrollment if no opt-out. May opt-out and back in at any time.
 - ✓ Self-employed/gig workers may participate on an opt-in basis.
- 3) Automatic Payroll Deduction IRA (Roth Default):** Contributions deducted from paycheck and deposited into a portable, professionally managed IRA account controlled by saver
- 4) SSN or ITIN:** ITIN holders welcome to participate
- 5) Unbanked OK:** No bank account required if contributing from payroll



The power of compound interest: a scenario



For illustrative purposes only



Scenario assumptions: starting salary of \$30,000 with 1% salary increase per year. Contribution rate starts at 5% of gross pay with automatic escalation annually to 8%. Hypothetical rate of return is 5%. Investment returns may vary, are not guaranteed, and assets may lose value.

Eligibility and participation in LA County



- In LA County there are more than 60,000 eligible employers with nearly 1.7 million employees.

	Wave 1 >100 employees	Wave 2 >50 employees	Wave 3 ≥5 employees	Total
■ Employers	1,776	2,013	56,394	60,183
■ Employees	880,037	140,474	679,039	1,699,550

Participation:

- Registered Employers: 2,345
- Total Assets: \$20.4 million
- Funded Accounts: 39,501



Participation update

Data as of 5/16/21



Savers

- Total Enrollments: 347,000
 - Funded Accounts: 144,000
- Participation Rate: 71%
- Average contribution rate: 5.1%
- Average monthly contribution: \$127

Employers

- Registered: 10,742

Funding

- Total Assets: \$71 million
- Contributions last 30 days: \$11 million

Monthly Public Reports:

<https://www.treasurer.ca.gov/calsavers/reports.asp>



How Partners Can Help



1. Distribute Communications:
 - Social media
 - Newsletters
2. Host a webinar with us or invite us to a standing meetings or events
3. Help us identify earned media opportunities

The screenshot shows the CalSavers Digital Toolkit webpage. At the top, it features the California State Treasurer's office header with the name Fiona Ma, CPA, and navigation links for Home, Open Government, Careers, Contact, and Calendar. Below this is a search bar and a secondary navigation menu with links for Home, CalSavers Home, CalSavers Website, CalSavers Contacts, and Board Members. The main content area includes the CalSavers logo (a tree with dollar signs) and the text 'CalSavers RETIREMENT SAVINGS PROGRAM'. To the right is the official seal of the Office of the State Treasurer, California. A 'Digital Toolkit' section is highlighted with a green arrow icon. Below this, there is a paragraph explaining the toolkit's purpose: 'This digital toolkit is designed to help you share information about CalSavers by connecting you with resources you can use for your social media accounts, web content, newsletters, and any other methods you might use to help spread the word.' This is followed by a question about hosting events and a contact email: 'For any requests, please contact our Outreach & Marketing Manager Jonathan Herrera at JHerrera@sto.ca.gov'. A 'Sample Web Content & Newsletters' section lists links for 'General (Short | Standard)' and 'Employer (Short | Standard)'. On the right side of the page, there is a green banner that says 'More than 100 employees' and 'Deadline Passed. REGISTER TODAY.' with a small icon indicating it was updated to September 22.

<https://www.treasurer.ca.gov/calsavers/toolkit.asp>