

Ongoing Collaboration and Discussion Crucial to Moving the Needle on Retirement Savings

Warren Cormier

Warren Cormier
is executive director of
the Defined Contribution
Institutional Investment
Association Retirement
Research Center in
Washington, DC.
warren.cormier@dciaa.org

In this inaugural column on behalf of the Defined Contribution Institutional Investment Association (DCIIA), I'd like to briefly introduce our organization and our partnership with *The Journal of Retirement* (JOR) before diving into insights from our most recent Academic Forum.

In May 2021, DCIIA and JOR announced a partnership where by DCIIA became the official association partner of JOR and JOR, the official journal of DCIIA. This partnership recognizes DCIIA's mission of improving defined-contribution outcomes by fostering a dialogue among the leaders of the DC community while also acknowledging JOR's unique position of publishing unbiased, informed research in this area. There is a broad overlap between JOR's stakeholders and DCIIA's membership, providing natural synergies for this partnership.

Founded in 2010, DCIIA is a nonprofit association dedicated to enhancing the retirement security of America's workers. DCIIA's diverse group of members include investment managers, consultants and advisors, law firms, recordkeepers, insurance companies, data providers and researchers, and other thought leaders who are collectively committed to the best interests of plan participants. We also foster community and discussion among plan sponsors in our Plan Sponsor Institute, which has more than 75 member organizations.

I'm the executive director of the DCIIA Retirement Research Center (RRC), which conducts rigorous, industry-informed research that is grounded in a practical approach focused on actionable insights. Our goal is to serve the industry as a reliable, unbiased, and authoritative research resource supporting improved retirement security—be it through plan design, institutional practices, investment solutions, or behavioral interventions.

Last fall, the DCIIA RRC and JOR collaborated to develop the agenda for our annual DCIIA Academic Forum. Our focus was on addressing the continuing challenge of helping workers—all workers—reach retirement readiness. Over two days in November 2021, we had the pleasure of hearing from more than 25 experts representing academia, research, and industry at the Forum. In seven moderated discussions (Exhibit 1), our speakers addressed various aspects of the retirement savings puzzle, including three change agents that must work together to improve retirement outcomes: the government, the employer, and the worker.

Starting with the **government**, Social Security is an important part of the solution, particularly for low- to moderate-income households. The question of Social Security becoming insolvent in the not-too-distant future was addressed head-on. The consensus from the panel was that the government will take the necessary steps to avoid insolvency. There is some controversy as to how the government will fund this, and whether benefit cuts could be part of it. Other ways the government can encourage retirement savings and improve access to retirement savings plans were

EXHIBIT 1

DCIIA 2021 Academic Forum Sessions

- Behaving & Saving for Retirement
 - Three Perspectives on Household Decision Making
 - Long-term Impacts of Short-Term Shocks
 - Reimagining Social Security
 - The Academic and Practitioner Approach to ESG
 - What People Think of Their Own Mortality and How it Affects Their Decisions
 - Creating a Financially Secure Retirement for Historically Underserved Communities: A Deeper Look at Impacts and Strategies
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discussed as well. One frequently discussed model is a federal program like that in the United Kingdom and Australia, where employers must offer a retirement savings plan and are required to make contributions. Without broader coverage, retirement saving inequalities will remain.

In terms of **employers** and plan design, nudging and choice architecture were reviewed as ways to help reduce disparities. Something as simple as reframing messages from saving a “percent of pay” to “pennies a day” could positively influence saving rates. Further, helping employees make decisions based on their entire household and through a broad health and wealth lens is increasingly important and can lead to better outcomes. As younger workers are coming into

their prime savings years with more debt, such as student loans and mortgages, the whole employee needs to be supported. The role of automatic features and mandates continues to be discussed as part of the ongoing evolution of plan design.

Of the many issues affecting workers’ ability to save for retirement, the disparity of wages and wealth accumulation across racial and gender groups was specifically highlighted by speakers. Closing the gap in retirement savings across employee demographics is a crucial part of improving workers’ overall financial wellness. Speakers also touched on the impact of workers’ mental health on retirement savings, an issue that has been exacerbated by the pandemic. One of the panels discussed perception of mortality at different life stages and how this impacts decision-making on things like lifetime income solutions and leads workers to overconsume early in life and underconsume in retirement. Overall, our speakers discussed several compelling behavioral themes that can be harnessed to influence product creation and solutions and thus meet the needs of more workers.

I encourage you to read the forthcoming more-detailed thematic summary of the Forum for more-specific insights and additional topics that were covered during the virtual event. In addition, DCIIA member organizations have access to replays of all sessions.

Achieving retirement readiness for all American workers requires that we hold onto the strategies that are working, jettison the ones that aren’t, and innovate new solutions. These innovations will come from the public sector, the private sector, and academia. As a force for improvement in how we approach the goal of universal retirement readiness, over the past 12 years DCIIA has launched the Public Policy Forum, Innovation Forum, and Academic Forum. These events, plus ongoing member engagement via committee projects, research collaboration in the RRC, and more, have stimulated, facilitated, and disseminated thought leadership on this issue. Now more than ever, we need diverse perspectives and fresh ideas in our shared pursuit of enhancing retirement security for today’s workers—we welcome JOR’s readers to join us on this journey.