

Tending to the Nest Egg: Plan could help nonprofit workers build retirement security

By Monique Ching, Policy Analyst

Massachusetts is taking a step to help more employers provide retirement savings plans to allow their workers greater economic security when they retire.

This comes at a time when many workers — particularly those employed by small employers — don't have access to retirement plans at work. Many small employers do not offer retirement plans because of high costs and risks of shouldering the fiduciary responsibility¹ — setting up retirement plans is often too expensive for small employers and many say they do not have the resources to manage a plan².

When retirement plans are available at small employers, they are often plans with high fees and expenses. Smaller plans tend to be more expensive and 71 percent of workers participating in a plan are not fully aware of the fees they pay³. Participants can lose as much as a third of their lifetime earnings to high fees⁴.

Taking these conditions into account, the road to retirement security looks hazy for workers at small employers. But a new, state-run plan could give some a reprieve.

In late 2017, Massachusetts launched a state-administered 401(k) plan that small nonprofits — those with 20 employees or fewer — can join⁵. The plan is administered through the Office of the State Treasurer and Receiver General, which will take on the bulk of the administrative responsibilities. This assists employers with some of the challenges that deter them from offering plans to their workers. And, because of economies of scale, the plan sponsor is better equipped to offer lower fees and expenses than typical private plans.

Massachusetts is one of the only states that has successfully implemented retirement reform and has a program up and running⁶. This plan — known as the [Connecting Organizations to Retirement \(CORE\) Plan](#) — can begin to address some of the barriers to retirement security for workers in the nonprofit sector.

Big Picture: Cracks in the nest egg

Working people and families hope for a secure future after a lifetime of work, but lack of retirement savings put that security in jeopardy.

The American retirement system is often referred to as a three-legged stool — Social Security, individual savings, and pensions or other retirement plans.

Many Americans continue to rely on Social Security. But, while Social Security remains a dependable branch of the retirement system, it was not intended to be the sole source of income for retirees.

The second leg, personal savings, has been shrinking since 1975⁷. The U.S. Government Accountability Office (GAO) found that a quarter of households aged 65 to 74 had no retirement savings and few other financial resources⁸. A 2017 study estimated that near-retirees had a median account balance of \$15,000, which was enough to generate benefits at about \$60 a month⁹. For those who had retirement savings, the median account balance was \$92,000¹⁰.

The third leg, retirement savings through the workplace, has been changing in recent decades. Historically, workers obtained defined benefit plans, or pensions, through their workplaces. These plans are employer-funded and provide a fixed, pre-established benefit for employees upon retirement¹¹. Such plans are increasingly uncommon¹². Employers are moving toward offering defined contribution plans – such as 401(k) plans – that allow both workers and employers to contribute and do not provide a fixed level of benefits for workers when they retire.

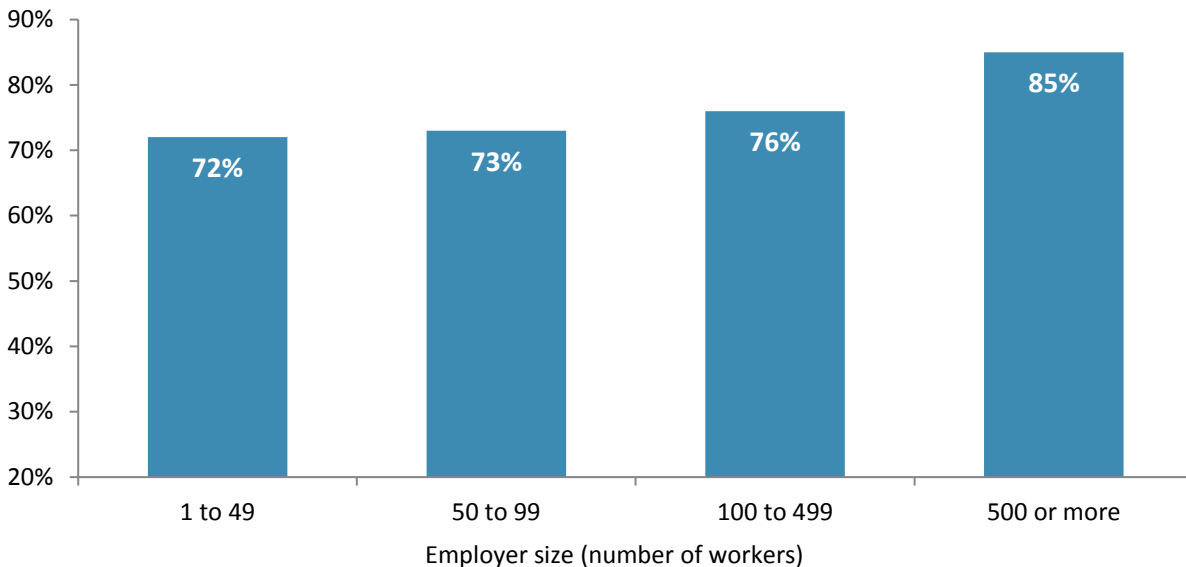
Step 1: Gaining access

The data show that, when given the opportunity, workers tend to participate in retirement plans. But when it comes to access, size matters. As shown in Figure 1, most workers participate in employer-sponsored plans when given the opportunity.

Figure 2 shows, however, that almost three quarters of employers with 12 to 25 workers do not sponsor retirement plans. And access is even worse for those at even smaller employers. Only five percent of workers at the smallest employers have access to retirement plans. For data on very large employers (those with 500 or more workers), see Appendix 1.

Figure 1. When employers offer retirement plans, many employees participate

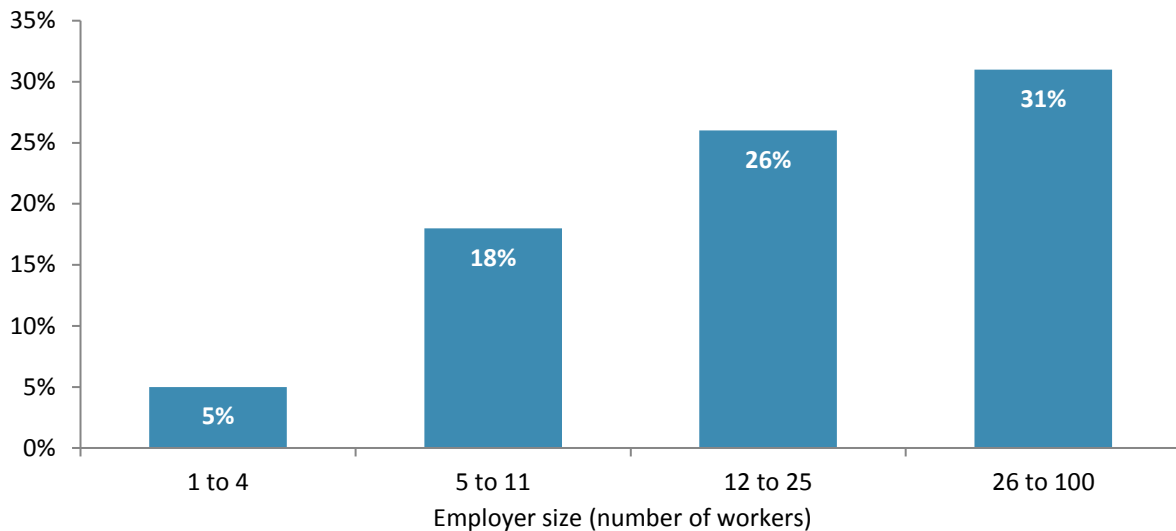
Percentage of workers who participated in a retirement plan (if offered), by employer size.



Source: Bureau of Labor Statistics. Employee Benefits in the United States — March 2017.

Figure 2. The smaller the employer, the less likely it is to offer retirement plans

Percentage of workers who have access to a plan, by employer size.



Source: U.S. Government Accountability Office. Retirement Security, Challenges and prospects for employees of small businesses. July 16, 2013.

Small employers are less likely to offer retirement plans because many don't have the capacity to keep up with legal requirements to maintain a plan¹³. Further, understanding the plans, trying to obtain lower fees, and selecting the best funds for their workers can be complex and time-consuming. A recent survey of small employers not offering retirement plans said it was too expensive to set up (37 percent) and that they do not have the resources to offer a plan (22 percent)¹⁴.

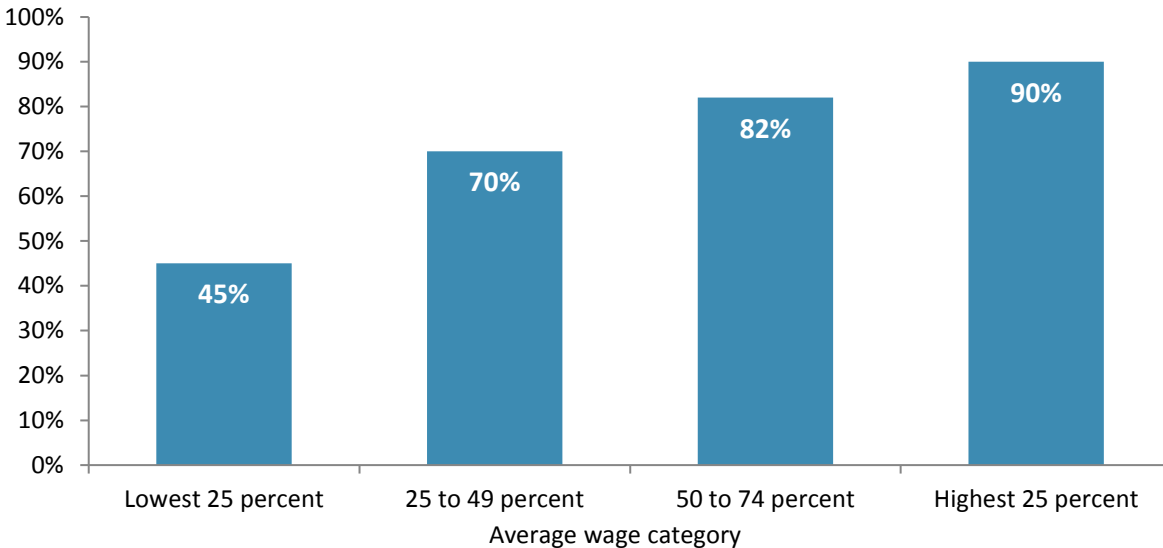
Unequal access, unequal needs

Research shows that workers least likely to have access to retirement plans are those who need them most.

The 25 percent of workers with the lowest wages are least likely to have access to retirement plans through their employers, as shown in Figure 3.

Figure 3. Lower earners are less likely to have access to employer-sponsored retirement plans

Percentage of workers who have access to plans, by average wage bracket.



Source: Bureau of Labor Statistics. Employee Benefits in the United States — March 2017.

How retirement income affects health

In addition to helping retirees support themselves, studies show that retirement income can affect their health.

A 2015 study looked specifically at how retirement income, specifically Social Security income, affects seniors' health and reported health outcomes¹⁵. Researchers found increases in annual Social Security income benefits were linked to significant improvements in functional limitations, cognitive functions, and improvements in mental health among households in which the Social Security recipient had less than a high school education¹⁶.

While this study focused on health outcomes in relation to Social Security income changes, it can reflect the importance of retirement income on retirees' health.

Step 2: Navigating the labyrinth

Access to a plan is just the first step, making sense of it is another challenge in itself. Reports indicate that overly complex materials can either deter workers from participating or cause them to select plans without fully understanding what their actual costs and returns will be¹⁷.

AARP found in 2011 that 71 percent of participants were not aware they paid fees to their retirement plan provider to maintain their account¹⁸. To make matters worse, the GAO found that about half of employers did not know whether they or their workers were paying for investment management fees and some thought the fees were waived¹⁹.

Offering plans also comes with myriad costs and administrative burdens — such as reporting information to the federal government and participants, selecting and monitoring investment options they offer, and ensuring the service costs are reasonable²⁰.

Some employers hire consultants to select investment packages, but consultants do not always prioritize their customers' financial interests²¹. In fact, asset managers often overcharge workers for funds that generate returns that are the same as or worse than lower-cost investments²². Asset managers are able to overcharge by so much because of an uncompetitive and inefficient²³ market

structure as well as relatively little legal and government oversight²⁴. This was further complicated when a federal court recently reversed the fiduciary rule, an Obama-era regulation that required financial advisers to put their customers' interests first²⁵. With the repeal of this rule, the danger of employers and savers being steered towards high-cost funds is even higher.

Step 3: Untangling the web of fees

Fees are necessary to maintain plans and invest participants' assets but, while some findings indicate fees are slowly decreasing²⁶, some experts contend that fees are excessive²⁷ and people on smaller plans tend to pay higher fees²⁸. This is because fixed costs can be spread over more participants in larger plans²⁹ and because larger employers tend to obtain lower fees³⁰.

Many participants are unaware they are paying fees as a percentage of their total assets³¹ – meaning the listed expense ratios are taken as a percentage of the entire account balance – not just as a percentage of earnings, as some may believe³².

Almost a third of lifetime earnings for the average household is often lost to fees³³. To illustrate, assume you have \$50,000 in your retirement account and you decide not to contribute more money into it. Your annual gross return rate – the amount you earned before accounting for fees or inflation – is about 7 percent of your account balance (\$3,500 for that first year). Your statements indicate you pay 2 percent in fees, which does not sound like a lot, but what is the real impact?

You may think this 2 percent of fees is coming out of the gross return (the \$3,500 you earned), but this actually means you will be charged 2 percent of your *entire account balance* of \$50,000. This means you will pay \$1,000 in fees for that first year – which is 28.6 percent of the \$3,500 you earned. That means, after deducting fees, you kept \$2,500 of what you earned (your net return).

Even if your fees were just one percentage-point lower – meaning you pay 1 percent of your entire account balance, or \$500, in fees – your net return would be 20 percent higher. You would keep \$3,000 instead of \$2,500.

This effect compounds over time and can have a significant effect on a retiree's quality of life.

Under the CORE plan, workers pay lower fees because the state-sponsored plan can use its economies of scale to negotiate more competitive prices compared with private plans that small employers typically obtain on their own.

Doing a side-by-side comparison of the CORE plan with comparable private 401(k) plans is challenging because of the tendency for fees to change from year to year and because fee structures can vary across providers.

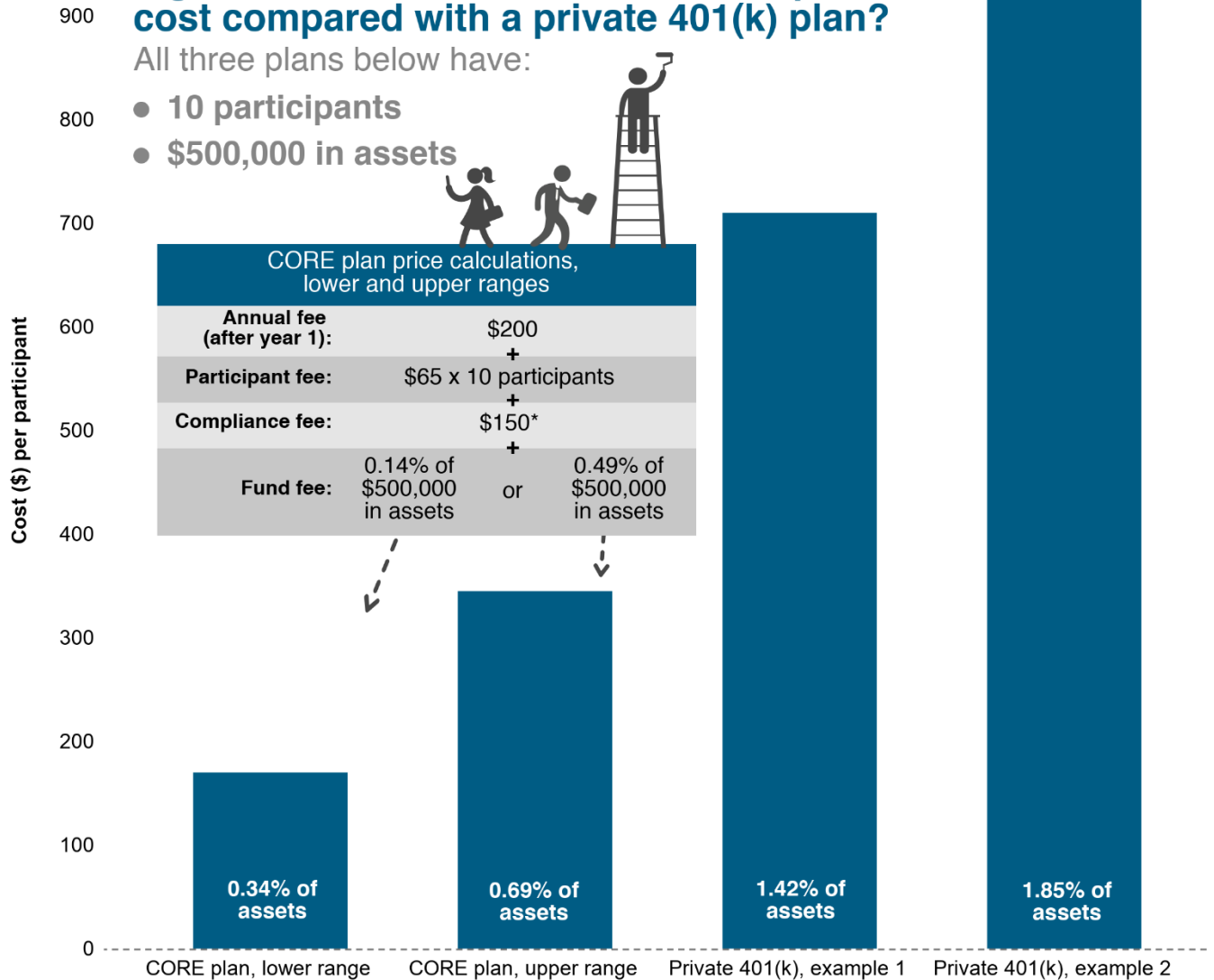
An employer who already offers 401(k) plans to its workers may only see modest savings in the first year of joining the CORE plan, because of one-time start-up or transition costs. Over time, however, the CORE plan will help workers save money and will give clarity on what they pay (through lower fund fees and fixed-rate participant fees).

Figure 4 is an estimate of expenses in the CORE plan compared with similar private 401(k) plans. As already noted, because of the lack of transparency in fee disclosures³⁴, it is difficult to obtain an average bundled cost for small 401(k) plans. The closest estimate for total bundled costs for a 401(k) plan that's comparable to the CORE plan is about 1.85 percent in fees³⁵. Another estimate shows that, in some cases, total bundled costs for comparable 401(k) plans could be 1.42 percent of total assets³⁶. (For further reading on some sources regarding 401(k) fees, see Appendix 4.) Figure 4 shows a comparison of the CORE plan with average costs for comparable 401(k) plans. It also includes the author's calculations used to estimate the bundled cost for the CORE plan.

Figure 4. How much does the CORE plan cost compared with a private 401(k) plan?

All three plans below have:

- 10 participants
- \$500,000 in assets



Note: The calculations only account for fees printed on a plan statement and do not include potential trading fees or initial set-up costs. This calculation does not account for regular participant or employer contributions.

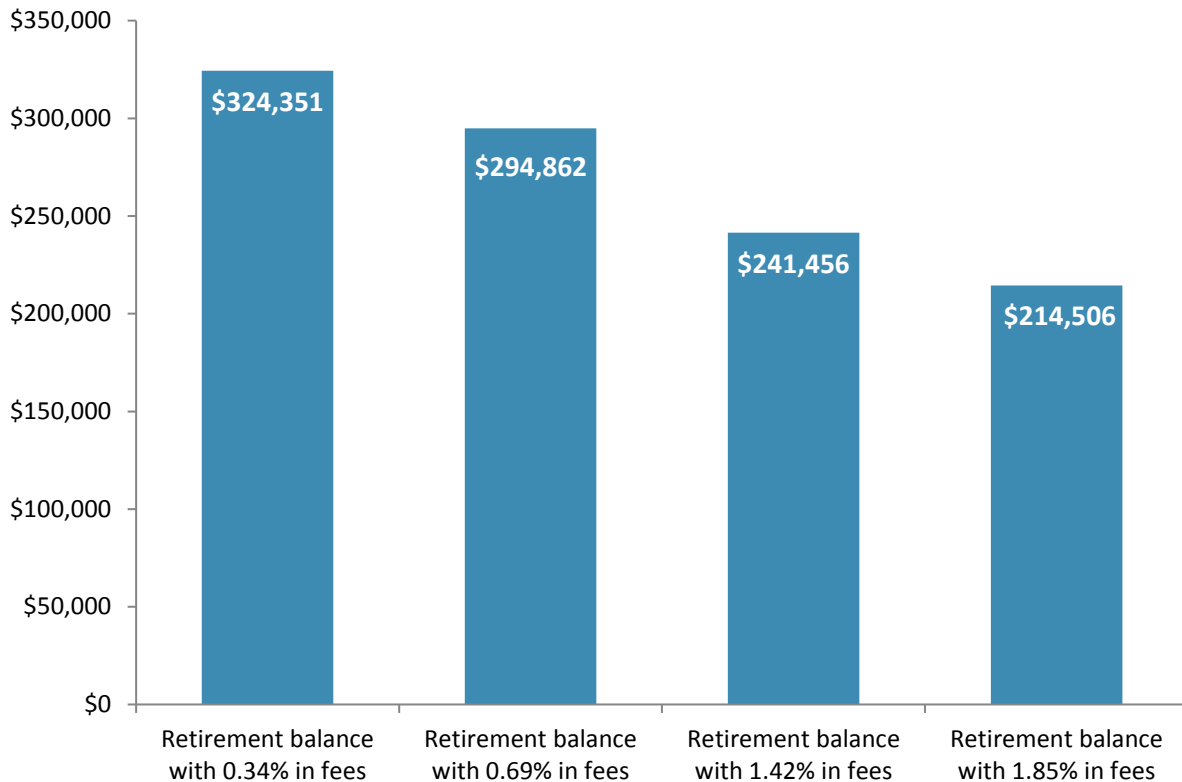
*The \$150 annual compliance fee applies to employers who choose the Safe Harbor plan design. Employers who choose a Non-Safe Harbor plan (which includes no employer contributions) will pay a \$750 per year compliance fee.

Source: Author's calculations based on the Empower Retirement Massachusetts CORE plan pricing 2018 chart; estimates from Morningstar's November 2017 report, "Small Employers, Big Responsibilities"; and 401(k) Averages Book, 17th Edition.

Going back to the scenario described earlier, assume you have \$50,000 in your account and you decide not to contribute more money. Your annual gross return rate is about 7 percent of your balance. Then assume you have 30 years until retirement. If you paid 1.85 percent in fees under a private 401(k) plan, you will retire with an account balance of \$214,506. By contrast, if you take the upper range of the CORE plan and pay 0.69 percent of your account balance in fees, you would retire with \$294,862 – 37.5 percent more money.

Figure 5. Seemingly small fee increases have a big effect on the nest egg

Over time, high fees can leave workers with significantly less to retire on.



Note: Above scenario assumes a starting balance of \$50,000 and an annual gross return rate of 7 percent over 30 years. This also assumes no additional contributions or withdrawals over the saving period.

Source: Author's calculations based on Empower Retirement Massachusetts CORE plan pricing chart 2018 and 401(k) Averages Book, 17th Edition.

Retirement experts agree the retirement system needs comprehensive reform³⁷, but federal efforts have made little progress and even regressed in recent years³⁸. Some states have instead forged ahead with their own efforts. Since 2011, 40 states have proposed or enacted policies to give private sector workers access to retirement savings accounts.³⁹

While slightly different from Massachusetts' plan, Vermont also has enacted a state-run retirement plan. The plan is projected to be fully implemented in January 2019⁴⁰.

Of the nine states that have enacted reform, Massachusetts and Oregon are the only two with functioning programs⁴¹.

How the CORE plan works

Massachusetts nonprofits with up to 20 employees are eligible for the CORE plan. This is a multiple-employer 401(k) plan – one where multiple employers pool their resources to maintain a single plan – that is administered by the Office of State Treasurer and Receiver General.

The state, as the plan sponsor, takes on the bulk of the administrative and investment responsibilities, alleviating many of the obstacles that deter small employers from offering plans to their workers. Employers can choose to match contributions to their employees' accounts or it can make non-elective

contributions (contributions it makes regardless of whether the employee contributes to the account or not).

Once an employer chooses to participate in the CORE plan, employees are automatically enrolled, but can opt out of the plan. Studies find that automatic enrollment significantly boosts worker participation in retirement plans⁴².

The CORE plan also automatically escalates employee contributions and participants are allowed to contribute more to their plans than they can in typical Individual Retirement Accounts⁴³.

By offering small, nonprofit employers a public alternative to commercial 401(k) and Individual Retirement Account (IRA) plans, the state can give more nonprofit-sector workers access to quality retirement plans by making it easier for their employers to offer them⁴⁴. For more details about participating in the CORE plan, see Appendix 3.

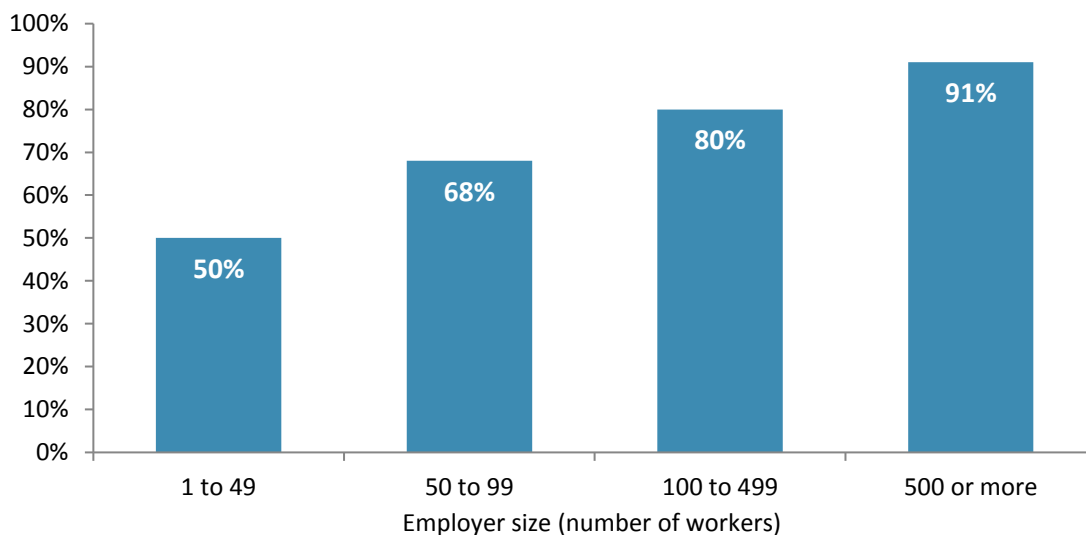
Note: The Massachusetts Budget and Policy Center is one of the non-profits in Massachusetts currently undergoing the transition from its previous private 401(k) plan to the CORE plan.

Appendix

1. Bureau of Labor Statistics data are consistent with the finding that smaller employers are less likely to offer retirement plans.

Appendix 1. Smaller employers are less likely to offer retirement plans

Percentage of workers who have access to a plan, by employer size.

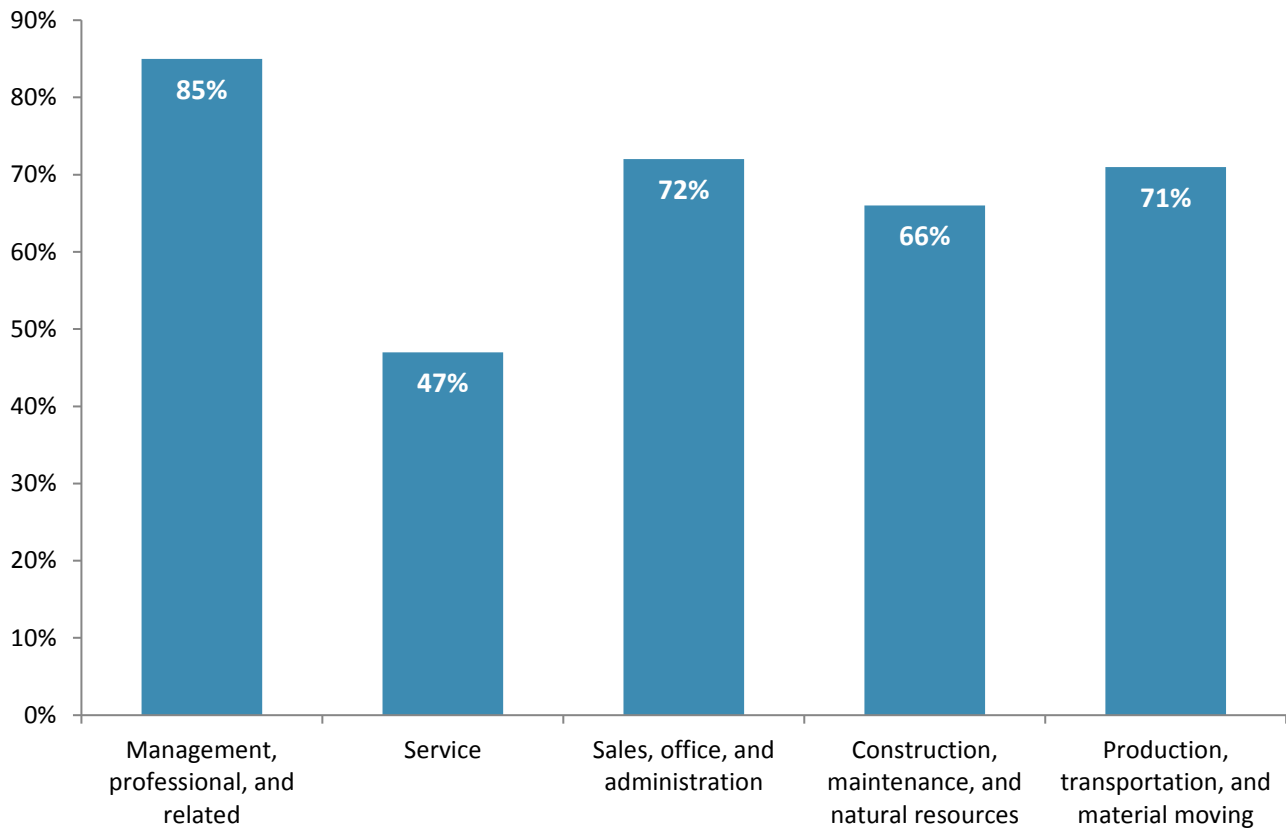


Source: Bureau of Labor Statistics. Employee Benefits in the United States — March 2017.

2. In addition to variations by employer size, workers' access to employer-sponsored retirement plans also varies depending on the field they are in. In service industries, for instance, about 47 percent have access to employer-sponsored plans compared to 62 percent access in construction, maintenance, and natural resources industries, and 85 percent access in management, professional, and related industries⁴⁵. Similarly, take-up rates in the service industries are relatively low while rates in management, professional, and similar industries are relatively high.

Appendix 2. Workers in some fields are more likely to have access to employer-sponsored retirement plans than others

Percentage of workers who have access to plans, by field.



Source: Bureau of Labor Statistics. Employee Benefits in the United States — March 2017.

3. To join the CORE plan, employers must sign a participation agreement and a terms and conditions agreement. The employer pays a one-time fee of \$2,500. Participating employees pay a yearly \$65 fee for administrative services. Other fees are listed in the table.

Employees are automatically enrolled to defer an initial six percent of their pre-tax pay and can opt out within 60 days of receiving the auto-enrollment notice.

The following table is a list of key fees for the Massachusetts CORE plan.

Appendix 3. Massachusetts CORE 401(k) plan participation fees

Description	Cost - year 1	Cost - year 2 onward	Who pays
One-time installation fee	\$2,500	N/A	Employer
Recordkeeping and administration fee	\$65/participant per beneficiary year	\$65/participant per beneficiary year	Participant/beneficiary or employer (if the participating employer selection is made)
Compliance fee	\$150 for Safe Harbor with matching contribution election/Safe Harbor with non-elective contribution election, or \$750 for 401(k) deferrals with no matching contributions or non-elective contributions	\$150 for Safe Harbor with matching contribution election/Safe Harbor with non-elective contribution election, or \$750 for 401(k) deferrals with no matching contributions or non-elective contributions	Employer
Plan administration expense fee	N/A	\$200	Employer
Investment fees	Variable by investment option	Variable by investment option	Participant/beneficiary
Participant-elected services and transactions	As applicable	As applicable	Participant/beneficiary
Managed accounts service	Variable by participant/beneficiary account balance — ranging from 0.15 to 0.45 percent	Variable by participant/beneficiary account balance — ranging from 0.15 to 0.45 percent	Participant/beneficiary

General information regarding the Massachusetts CORE Plan is on www.ma-core.com.

Employers that are registered 501(c) organizations, domiciled in Massachusetts, and have 20 employees or fewer could be eligible for the CORE Plan. Employer-relevant information is on www.ma-employer-core.com.

4. Data is especially scant on small 401(k) plan fees, because of legal restrictions. Essentially all research on this topic indicates that the smaller the plan, the higher the fees are as a percentage of total assets.

As shown in the 401(k) Averages Book, 17th Edition, the total bundled cost for a larger plan with 100 participants and \$5 million in assets has average bundled costs of about 1.25 percent of total assets or \$623 per participant. Smaller plans, with 10 participants and \$500,000 in assets — the closest to the CORE 401(k) plan — have average bundled costs at about 1.85 percent of assets or \$927 per participant.

The 2012 Dēmos report by Robert Hiltonsmith shows mutual fund expense ratios — which is not a bundled cost of all fees — cost between 0.98 percent and 1.14 percent for plans with fewer than 100 participants. Hiltonsmith also notes that hidden fees can often be just as much as the expense ratio, bringing this estimate between 1.96 percent and 2.28 percent.

In a 2017 analysis, Morningstar estimates that for plans with \$1 million or less in assets, fees can be about 1.42 percent of total assets⁴⁶.

America's Best 401(k) conducted a 2016 survey⁴⁷ among several providers with smaller plans, with fewer than 50 participants. It is important to note this report is not necessarily objective — America's Best 401(k) is a provider of plans — and that the sample is not representative. The survey found a range of fees from 1.19 percent of assets to 1.95 percent of assets. These fees also do not appear to include all 401(k) costs.

Finally, the Employee Fiduciary — another 401(k) plan provider — conducted a study⁴⁸ of small business 401(k) plans and found a range of bundled costs from 1.09 percent (for a plan with \$1.1 million in assets) to 2.86 percent (for plans with \$260,000 in assets). The sample sizes in this study were very small and it was conducted by a provider, not disinterested researchers.

- ¹ U.S. Government Accountability Office, July 16, 2013. "Retirement Security: Challenges and Prospects for Employees of Small Businesses." <https://www.gao.gov/assets/660/655889.pdf>.
- ² Pew Charitable Trusts, June 21, 2017. "Employer Barriers to and Motivations for Offering Retirement Benefits: Insights from Pew's national survey of small businesses." <http://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2017/06/employer-barriers-to-and-motivations-for-offering-retirement-benefits>.
- ³ AARP, February 2011. "401(k) participants' awareness and understanding of fees." <https://assets.aarp.org/rgcenter/econ/401k-fees-awareness-11.pdf>.
- ⁴ Robert Hiltonsmith, "The Retirement Savings Drain. The hidden & excessive costs of 401(k)s." May 29, 2012, Demos. http://www.demos.org/sites/default/files/publications/TheRetirementSavingsDrain-Demos_2.pdf, pages 11-12.
- ⁵ Note: The Massachusetts Budget and Policy Center is one of the non-profits in Massachusetts currently undergoing the transition from its previous private 401(k) plan to the CORE plan.
- ⁶ Teresa Ghilarducci and Bridget Fisher, December 2017. "State Retirement Reform: Lifting up Best Practices." Schwartz Center for Economic Policy Analysis, The New School for Social Research, Report Series 2017-10. http://www.economicpolicyresearch.org/images/docs/research/retirement_security/States_of_Reform_FINAL.pdf?utm_source=State+Report, page 4.
- ⁷ U.S. Government Accountability Office, October 2017. "The Nation's Retirement System: A Comprehensive re-evaluation is needed to better promote future retirement security." <https://www.gao.gov/assets/690/687797.pdf>, pages 87-88.
While rates have risen since 2005, they remain significantly lower than pre-1975 levels. See graph on page 88 in the link above for more detail.
- ⁸ U.S. Government Accountability Office, October 2017. "The Nation's Retirement System: A Comprehensive re-evaluation is needed to better promote future retirement security." <https://www.gao.gov/assets/690/687797.pdf>, pages 88-89.
- ⁹ The median account balance includes all money in Direct Contribution accounts, Individual Retirement Accounts, and accounts for those with no retirement savings. The authors of the studies, listed below, used the median rather than the average because a small number of workers with very large account balances skewed the results. The figure was calculated using the U.S. Census Survey of Income and Program Participation data. The authors calculated the \$60 per month benefit figure using Fidelity Investments' Guaranteed Income Estimator for purchasing a single-life annuity around September 2017. They calculated the benefit separately for men and women at age 65 and took the average of the two figures.
Teresa Ghilarducci and Bridget Fisher, December 2017. "State Retirement Reform: Lifting up Best Practices." Schwartz Center for Economic Policy Analysis, The New School for Social Research, Report Series 2017-10. http://www.economicpolicyresearch.org/images/docs/research/retirement_security/States_of_Reform_FINAL.pdf?utm_source=State+Report, page 3.
- Teresa Ghilarducci, Michael Papadopoulos, and Anthony Webb. August 2017. "Inadequate Retirement Savings for Workers Nearing Retirement." Schwartz Center for Economic Policy Analysis, The New School for Social Research, Policy Note Series, http://www.economicpolicyresearch.org/images/docs/research/retirement_security/Account_Balances_adjusted_appendix_tables.pdf, page 1.
- ¹⁰ Teresa Ghilarducci, Michael Papadopoulos, and Anthony Webb. August 2017. "Inadequate Retirement Savings for Workers Nearing Retirement." Schwartz Center for Economic Policy Analysis, The New School for Social Research, Policy Note Series, http://www.economicpolicyresearch.org/images/docs/research/retirement_security/Account_Balances_adjusted_appendix_tables.pdf, page 1.
- ¹¹ Internal Revenue Service, "Choosing a Retirement Plan: Defined Benefit Plan." <https://www.irs.gov/retirement-plans/choosing-a-retirement-plan-defined-benefit-plan>.
- ¹² Alicia H. Munnell, July 2012. "401(k) Plans in 2010: An update from the SCF," http://crr.bc.edu/wp-content/uploads/2012/07/IB_12-13-508.pdf, page 3.
- ¹³ U.S. Government Accountability Office, July 16, 2013. "Retirement Security: Challenges and Prospects for Employees of Small Businesses." <https://www.gao.gov/assets/660/655889.pdf>.
- ¹⁴ Pew Charitable Trusts, June 21, 2017. "Employer Barriers to and Motivations for Offering Retirement Benefits:

Insights from Pew’s national survey of small businesses.” <http://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2017/06/employer-barriers-to-and-motivations-for-offering-retirement-benefits>.

¹⁵ Padmaja Ayyagari, September 2015. “Evaluating the Impact of Social Security Benefits on Health Outcomes Among the Elderly.” Center for Retirement Research at Boston College. http://crr.bc.edu/wp-content/uploads/2015/09/wp_2015-25.pdf.

¹⁶ Padmaja Ayyagari, September 2015. “Evaluating the Impact of Social Security Benefits on Health Outcomes Among the Elderly.” Center for Retirement Research at Boston College. http://crr.bc.edu/wp-content/uploads/2015/09/wp_2015-25.pdf, page 11.

¹⁷ Ron Lieber, June 3, 2011. “Revealing Excessive 401(k) Fees.” The New York Times. <http://www.nytimes.com/2011/06/04/your-money/401ks-and-similar-plans/04money.html>.

¹⁸ AARP, February 2011. “401(k) participants’ awareness and understanding of fees.” <https://assets.aarp.org/rgcenter/econ/401k-fees-awareness-11.pdf>.

¹⁹ U.S. Government Accountability Office, July 16, 2013. “Retirement Security. Challenges and prospects for employees of small businesses.” <https://www.gao.gov/assets/660/655889.pdf>, page 13.

²⁰ U.S. Government Accountability Office, July 16, 2013. “Retirement Security: Challenges and Prospects for Employees of Small Businesses.” <https://www.gao.gov/assets/660/655889.pdf>, page 9.

²¹ Gerald Epstein and Juan Antonio Montecino, July 20, 2016. “Overcharged: The high cost of High Finance.” Political Economy Research Institute, University of Massachusetts Amherst. <https://www.peri.umass.edu/publication/item/729-overcharged-the-high-cost-of-high-finance>, page 35.

²² Gerald Epstein and Juan Antonio Montecino, July 20, 2016. “Overcharged: The high cost of High Finance.” Political Economy Research Institute, University of Massachusetts Amherst. <https://www.peri.umass.edu/publication/item/729-overcharged-the-high-cost-of-high-finance>, page 31.

²³ Robert Hiltonsmith, May 29, 2012. “The Retirement Savings Drain. The hidden & excessive costs of 401(k)s.” Dēmos. http://www.demos.org/sites/default/files/publications/TheRetirementSavingsDrain-Demos_2.pdf, page 8.

²⁴ Gerald Epstein and Juan Antonio Montecino, July 20, 2016. “Overcharged: The high cost of High Finance.” Political Economy Research Institute, University of Massachusetts Amherst. <https://www.peri.umass.edu/publication/item/729-overcharged-the-high-cost-of-high-finance>, page 36.

²⁵ Tara Siegel Bernard March 16, 2018. “Court Overturns Obama-Era Rule on Retirement Planners.” The New York Times. <https://www.nytimes.com/2018/03/16/business/fiduciary-rule-retirement-planning.html>.

²⁶ Patricia Oey, May 23, 2017. “U.S. Fund Fee Study – Average fund Fees Paid by Investors Continued to Decline in 2016.” Morningstar. <http://corporate1.morningstar.com/ResearchLibrary/article/810041/us-fund-fee-study--average-fund-fees-paid-by-investors-continued-to-decline-in-2016/>.

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²⁷ Gerald Epstein and Juan Antonio Montecino, July 20, 2016. “Overcharged: The high cost of High Finance.” Political Economy Research Institute, University of Massachusetts Amherst. <https://www.peri.umass.edu/publication/item/729-overcharged-the-high-cost-of-high-finance>, page 3.

²⁸ U.S. Government Accountability Office, July 16, 2013. “Retirement Security. Challenges and prospects for employees of small businesses.” <https://www.gao.gov/assets/660/655889.pdf>, page 11.

²⁹ BrightScope and Investment Company Institute, 2016. “The BrightScope/ICI Defined Contribution Plan Profile: A Close Look at 401(k) Plans, 2014.” San Diego, CA: BrightScope and Washington, DC: Investment Company Institute. www.ici.org/pdf/ppr_16_dcplan_profile_401k.pdf, page 52.

³⁰ U.S. Government Accountability Office, July 16, 2013. “Retirement Security. Challenges and prospects for employees of small businesses.” <https://www.gao.gov/assets/660/655889.pdf>, page 12.

³¹ Robert Hiltonsmith, “The Retirement Savings Drain. The hidden & excessive costs of 401(k)s.” May 29, 2012, Dēmos. http://www.demos.org/sites/default/files/publications/TheRetirementSavingsDrain-Demos_2.pdf.

³² Robert Hiltonsmith, “The Retirement Savings Drain. The hidden & excessive costs of 401(k)s.” May 29, 2012, Dēmos. http://www.demos.org/sites/default/files/publications/TheRetirementSavingsDrain-Demos_2.pdf, page 7.

³³ Robert Hiltonsmith, May 29, 2012. “The Retirement Savings Drain. The hidden & excessive costs of 401(k)s.” Dēmos. http://www.demos.org/sites/default/files/publications/TheRetirementSavingsDrain-Demos_2.pdf, pages 11-12.

³⁴ Aron Szapiro, May 2017. “The Most Important Form Investors Have Never Heard Of How an obscure proposal could help investors judge their 401(k)s,” Morningstar.

³⁵ 401(k) Averages Book, 17th Edition. 2017. <https://www.401ksource.com/>.

³⁶ John Rekenhaller, Jake Spiegel, and Aron Szapiro, November 2017 “Small Employers, Big Responsibilities,” page 8. Morningstar.

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