

ICI VIEWPOINTS

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Don't Forget the 401(k): America's Retirement System Helps Workers Save and Preserve Assets

By Paul Schott Stevens

The following ICI Viewpoints is a letter to the Wall Street Journal by Paul Schott Stevens, ICI president and CEO, in response to an article published on February 11, 2019:

American workers have many options to ensure that their retirement savings follow them throughout their careers ([Forget the 401\(k\)](#)," February 11). Each year, millions of job changers roll their assets from employer plans into individual retirement accounts (IRAs). Millions of self-employed individuals save through Simplified Employee Pensions (SEPs), SIMPLE IRAs, Solo 401(k)s, or other plans. And millions of workers who lack employer plans fund their own tax-favored traditional or Roth IRAs.

In short, we already have a system in which your retirement savings can follow you wherever you go or however you work. And our system actively engages employers in promoting and facilitating workers' retirement saving; features vigorous competition among investment providers; and has fostered such private-sector innovations as auto-enrollment, auto-escalation, target date funds, employer matches, and participant education and empowerment. Our system also preserves individual choice and control of investments—[prized by 94 percent of savers](#) with 401(k)s and similar plans.

All of those features would be at risk under proposals, like those in your article, that would reduce employers' role and create new bureaucracies.

Working together, America's workers, employers, and financial institutions have constructed a sound retirement system, amassing \$29.2 trillion in savings. Let's build on that strength—not tear it down.

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Paul Schott Stevens was President and CEO of ICI.