



CONSORTIUM FOR CITIZENS
WITH DISABILITIES

FAILURE TO MEET BASIC HUMAN NEEDS OF VULNERABLE PEOPLE CAN LEAD TO DIMINISHED HEALTH THAT RESULT IN DISABILITY

Basic human needs of health care, nutrition, and shelter should not be compromised by efforts for financial savings.

A forum was held at the Brookings Institution on “Retirement Security: Changing How America Saves”. Presenters at the forum were staff of the Brookings Institution, a U.S. senator, a retirement researchers, benefits planners, an expert on federal retirement a representatives from the AARP, and the press.

Summary

There are 94 million full time, full year, wage and salary workers between to ages of 21 and 64, but 75 million workers do not have access to an employer sponsored retirement plan. Social Security benefits average \$11,000 per year. Thus, many workers need savings at retirement age. Auto enrollment in IRA’s was suggested. A temporary tax credit to establish an automatic IRA for the first two years of pay roll deposit savings was suggested.

Retirement income for many people, in addition to Social Security, is needed. Forty one percent of the workforce participate in employer sponsored IRA type plans. In 2004, half of all people age 55 to 59 had \$13,000 or less in an employer based IRA plans and personal savings have been negative since 2005. Therefore, it would be difficult for impoverished vulnerable populations to benefit from automatic saving accounts without reducing funds to meet basic human needs.

Disability Prevention Issues

Asset limits for participation in “safety net” programs, of people who are vulnerable, discourage savings because they affect vital nutrition, health care and housing. In addition, retirement accounts are confusing and inconsistent. Thus, it is important to assure that savings of vulnerable populations, who are involved with automatic saving accounts, do not displace public health needs of adequate nutrition and timely access to needed health care. Inadequate nutrition and failure to access timely health care could result in chronic health conditions associated with physical and/or mental impairments.

Activity

A letter was written to the Senator, who presented at the forum, to comment on employer based retirement plans for vulnerable populations in relationship to maintaining public health “safety nets” functions.

Principle

Basic human needs of health care, nutrition, and shelter should not be compromised by automatic savings.