RESEARCH REPORT

Does the SECURE 2.0 Act Improve Equity in Workers' Access to Retirement Accounts?

An Equity Scoring Initiative Demonstration Analysis

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ABOUT THE EQUITY SCORING INITIATIVE

A partnership of PolicyLink and the Urban Institute

Federal legislation is fundamental to building a nation in which all can participate, prosper, and reach their full potential. Since our nation's founding, in many ways, federal legislation has created and exacerbated inequities, leaving one-third of the population experiencing material poverty and preventing our democracy from realizing the promise of equity.

To ensure the federal government serves us all, we must accurately understand and assess whether every policy advances or impedes equity.

The Equity Scoring Initiative (ESI) exists to establish the foundation for a new legislative scoring regime. By scoring for equity, we can begin to create an accountable, responsive democracy.

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PolicyLink is a national research and action institute advancing racial and economic equity by Lifting Up What Works®. To advance equity, PolicyLink advocates for groundbreaking policy changes that enable everyone, especially people of color, to be economically secure, live in healthy communities of opportunity, and benefit from a just society. PolicyLink is guided by the belief that the solutions to the nation's challenges lie with those closest to these challenges: when the wisdom, voice, and experience of those traditionally absent from policymaking drive the process, profound policy transformations emerge.

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Foreword: Equity Scoring and Equal Protection

By PolicyLink & Relman Colfax PLLC

Our vision for equity scoring is bold and therefore generational. A winning strategy for equity scoring requires a visionary approach that charts a new path as well as a savvy defensive approach. We are mindful of where this nascent work is most vulnerable to critique and offer corresponding guardrails. In the current political and social climate that has seen the reversal of race-based affirmative action among other retrenchments, there are those who will attack equity scoring as ill-advised if not outright illegal under the Equal Protection Clause of the 14th Amendment. They are wrong. We want to allay any such concerns so that readers can fully engage with the more forward-looking equity scoring example that follows in this demonstration paper as well as the other reports and products of the Equity Scoring Initiative. Recent legal challenges to equal protection and movement to race-neutrality in governing policy implementation have created a chilling effect on government decisionmakers—elected and administrative—in advancing fairness and equitable outcomes. But equal protection does not require race blindness, and governing decisions may be informed by an understanding of whether and how effectively different policy options will reduce inequities, including accumulated inequalities based on race, gender, disability, or other characteristics.

Under current practice, equal protection is reactive and complaint-based. It requires individuals to prove that they have been harmed by policy implementation and to seek redress through administrative complaint or private legal action. However, instead of waiting until a law is passed and policy is implemented to see if any class of citizen is harmed, legislative scoring, as demonstrated by the Equity Scoring Initiative, can make equal protection proactive and expand the capacity of the federal government to repair past disparities and prevent future harm.

Scoring policies and regulations for equity contextualizes the projected impact of proposed legislation and enables legislators, and their constituents, to make more informed decisions. The Equal Protection Clause generally precludes legislation that deliberately treats people differently because of their race, ethnicity, or gender, but analyzing or scoring legislation for equity does not alter a bill's underlying facial neutrality any more than budget scoring alters a bill's fiscal impact. Both types of projections give policymakers insights into the long-term impacts of a proposal to facilitate their own analysis, but neither changes a bill.

Nor does a legislator acting based on knowledge of whether and how a piece of legislation advances equity—such as by revising the bill or voting a certain way—undermine the bill's compliance with the legal standard for equal protection. Equity scoring instead provides information that helps legislators identify workable and legally supportable policies that address racial and other inequities. Multidimensional equity analyses are comparable to analyses of the projected impact of a facially race-neutral student assignment policy on the racial composition of schools, something federal courts have held that policymakers may legally consider.[1] These analyses entail consideration of race in terms of predicting different outcomes by individuals' demographic characteristics. Policymakers who choose to rely on the analyses may be motivated by racial goals, yet the policies they inform are—at least on their face—race-neutral. A legislator's motivation of shrinking a long-standing disparity differs from an unlawful discriminatory intent because no racial or other animus is involved. In the absence of racial animus, race-neutral legislation informed by a race-aware analysis such as equity scoring remains race-neutral from an Equal Protection perspective and does not call for heightened legal scrutiny.

The SECURE 2.0 Act is race-neutral. The bill's provisions—including required automatic enrollment, an expanded tax credit for small businesses, and mandatory enrollment for long-term part-time workers—do not rely on race or ethnicity (or any other characteristic protected by the Equal Protection Clause). But that does not mean that, if implemented, SECURE 2.0 would lead to outcomes that are the same for all racial and ethnic groups.

With this understanding, this paper's analysis of SECURE 2.0 examines how its projected outcomes vary based on race and ethnicity. Two of the three dimensions of equity improvement examined in this report, within-group improvement for historically disfavored groups and within-group improvement for all groups, compare outcomes for one or more groups under the proposed legislation to outcomes for the same groups under the status quo. The third dimension, between-group improvement, measures how much the proposed legislation improves existing disparities between groups. When analysts project changes in these three dimensions for different racial groups, they do not transform race-neutral legislation into legislation that treats people differently based on their race. Nor does a legislator considering those projections. Rather, the scoring assists legislators who want to design a race-neutral bill to advance equity.

The equity scores of SECURE 2.0 are information about variation in outcomes by race and ethnicity, and knowing these scores allow legislators to make informed choices among various race-neutral provisions. The scoring lets legislators address underlying racial inequities more effectively through facially race-neutral means. Providing transparency and access to equity scores as budget scores are

made available to the public creates a mechanism for citizens to hold decision-makers accountable to the 14th Amendment for equal protection under the law.

A policymaker considering how SECURE 2.0 improves equity, as presented in this report, does not inject animus or disregard of the rule of law into the legislative process. The findings are multidimensional and directionally varied. For example, the number of part-time workers and people working for small employers with access to employer-sponsored retirement plans would increase under SECURE 2.0, improving within-group equity for all groups versus the status quo and between people working small employers (a historically disfavored group) versus people working for large employers. But full-time workers, a historically favored group, would experience greater absolute gains, thereby widening the gap between them and part-time workers. The use of these findings by legislators has no intrinsic connection to animus and suggests nothing violative of the current legal standard of equal protection.

In short, there is nothing forbidden about equity scoring. The information it promises is essential to making policy that is more intentionally fair and just. In the pages that follow, our Urban colleagues show you how, using the example of one retirement savings reform legislation.

Like SECURE 2.0, many legislative proposals can be assessed for their potential to affect equity. The Equity Scoring Initiative affords an opportunity for government decision-makers to use data and analysis to advance equity and fairness in policies, regulations, programs, and investments, and to live into the spirit and intent of the 14th Amendment and the promise of equal protection. Clearly, further methodological developments will be necessary for scoring different types of legislation. However, the legal grounding for equity scoring discussed here is broadly applicable and can be enabled in the governing process. As the 13th and 14th Amendments continue to be interpreted, our hope is that future jurisprudence will allow Congress to legally institutionalize the consideration of equity scores in the legislative process, similar to the conduct and use of budget scoring.

Note

[1] See Boston Parent Coal. for Acad. Excellence Corp. v. Sch. Comm. for City of Bos., 89 F.4th 46, 62 (1st Cir. 2023) (rejecting the plaintiff's challenge because "including racial diversity as a consideration and goal in the enactment of a facially neutral plan" does not call for strict scrutiny); *Spurlock v. Fox*, 716 F.3d 383, 394 (6th Cir. 2013) (reasoning that "if consideration of racial data were alone sufficient to trigger strict scrutiny, then legislators and other policymakers would be required to blind themselves to the demographic realities of their jurisdictions and the potential demographic consequences of their decisions," and that the facially neutral school zoning plan did not violate the Equal Protection Clause on rational basis review); and Lewis v. Ascension Par. Sch. Bd., 806 F.3d

344, 358 (5th Cir. 2015) (holding that "the district court did not err in concluding that Option 2f does not make express racial classifications and so is not subject to strict scrutiny on that basis" and that the plan did not violate the Equal Protection Clause on rational basis review).

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Executive Summary

Access to employer-sponsored retirement plans has emerged as a crucial strategy for economic insecurity in the US, especially because Social Security benefits, on their own, cannot cover the costs of living for older adults. However, serious questions remain about who does and does not have access to these savings vehicles, and what government policies can do to incentivize private-sector actors to expand eligibility and uptake. Owing to historical and ongoing inequities in income and wealth, the implications of inaction over these concerns also vary across demographic populations.

The Securing a Strong Retirement Act, enacted in 2022, is an expansion of the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019. This important piece of legislation, referred to as SECURE 2.0, aims to tackle retirement insecurity. SECURE 2.0 has dozens of provisions aimed at both employer-sponsored and individual retirement savings. We examine three employer-based provisions that will gradually take effect starting in 2024: required automatic enrollment, expanded tax credits for small businesses offering retirement plans, and mandatory retirement plan enrollment for long-tenure, part-time workers.

In this report, we score SECURE 2.0 for its projected equity improvement in expanding access to employer-provided retirement plans among economically insecure workers—those living in households with incomes under 200 percent of the federal poverty level. We focus on equity improvements between part-time and full-time workers and between workers at small and large employers. We extend and refine dimensions of equity improvement presented in earlier Equity Scoring Initiative work.

We project that SECURE 2.0 would significantly improve access to retirement savings overall, from 39.8 million workers with access to employer-provided retirement plans before SECURE 2.0 to up to 64.6 million workers with access after SECURE 2.0 (assuming optimistic 80 percent employer adoption). The general increase remains true for each specific group studied: millions of part-time, full-time, small-employer, and large-employer workers will benefit from newly expanded access to employer-provided retirement plans. Gaps in access among workers at small employers compared with large employers would shrink because of SECURE 2.0 provisions that enhance access for workers at small employers (a historically disfavored group).

However, we also find that SECURE 2.0 would likely generate greater absolute gains for full-time workers, who have been disproportionately favored when it comes to employment benefits, than for

part-time workers, thereby widening the gap in retirement savings access between those groups. Based on the mixed results, we find that SECURE 2.0 would not improve equity across all three of our dimensions.

We conclude by discussing technical and conceptual considerations for future equity-scoring analyses, highlighting their potential to inform policy designs and debates by centering the values of fairness and justice for all.

Does the SECURE 2.0 Act Improve Equity in Workers' Access to Retirement Accounts?

One way to determine how well proposed legislation would improve economic security is to assess the fairness of access to the policy or program change, as a foundation or precursor for its potential to improve outcomes. Equity scoring, or systematically examining a policy or policy proposal's potential impact on fairness and justice in outcomes, is a necessary step in the policy design process. Equity scoring is one such approach to assessing the fairness of a legislative proposal.

The Securing a Strong Retirement Act of 2022 (or SECURE 2.0) comprises dozens of provisions across seven titles (Iwry, John, and Gale 2024).[1] Building upon the foundation laid by the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, SECURE 2.0 aims to bolster retirement security for all workers across racial and ethnic groups, income levels, and work status. It specifically focuses on expanding access to retirement savings for workers traditionally excluded from work retirement plans, such as low-income workers, small business employees, and part-time workers.

In this report, we examine whether SECURE 2.0 meets its stated goals using the Equity Scoring Initiative's preliminary framework. The report is part of a set of publications assessing whether policy proposals aiming to prevent and alleviate economic insecurity during retirement can improve fairness in outcomes—that is, equity. Described as the "most extensive set of changes to retirement law in the last 15 years" (Iwry, John, and Gale 2024, 5), SECURE 2.0 includes a mix of solutions aimed at boosting access to and uptake of retirement accounts by incentivizing and subsidizing both employer-sponsored and individual retirement savings.

Why We Focus on Retirement Insecurity among Older and Disabled Adults and Evaluate Federal Efforts to Combat It

A critical element of economic security and mobility is having enough funds to care for yourself after stopping work or reaching retirement age. Most people in the United States rely on a combination of Social Security, employer-sponsored retirement accounts, and personal savings to support themselves

as they age. Some people rely more on one source of retirement income or funds than another, making retirement more precarious or insecure for some.

One in seven adults ages 65 and older in the US, comprising more than 8 million people, lived in poverty in 2022 (Ochieng et al. 2024).[2] Two in five working-age households in 2022 were at risk of not affording their pre-retirement standard of living in retirement, despite some economic gains in recent years from the strong labor and housing markets and the pandemic's fiscal stimulus (Yin, Chen, and Munnell 2024).

Economic insecurity among older adults partly reflects shifts over recent decades in Social Security benefits, employer-sponsored pensions, and individual savings. Social Security benefits, on their own, cannot cover the costs of living for older householders, and employers have increasingly shifted from traditional defined benefit pension plans to defined contribution retirement plans, such as 401(k)s, putting more responsibility on employees to plan and manage their retirement assets (Jeszcek 2017). These shifts, coupled with rising health care costs and household debt, have impaired the economic security of many older adults.

However, economic insecurity during retirement is not borne equally. Poverty rates among older adults in 2022 were significantly higher for Asian, Black, Hispanic, and Native American people than for white people (Ochieng et al. 2024). People with disabilities are also more likely than others to experience poverty during their working-age years, putting them at greater risk of retirement insecurity (Drake and Burns 2024). Poverty in retirement is disproportionately high among other groups as well, including immigrants, women, and LGBT seniors (Bouton, Brush, and Meyer 2023; Li and Dalaker 2022; Population Reference Bureau 2013). These disparities exist because of economic inequities throughout every stage of life, stemming from a range of structural barriers that cumulatively and unjustly hinder the financial well-being of older adults from historically marginalized groups.[3]

Tackling retirement insecurity will involve changing disability policy through an intersectional lens, as many people are forced to leave the labor market because of a disability and eventually move from relying on disability benefits to relying on retirement benefits. Analysis of 2014 survey data indicates that 24 million working-age adults (ages 18 to 66) applied for Social Security Disability Insurance at some point, with about half of applicants denied benefits (Weaver 2021). Applicants for disability benefits, whether allowed or denied, are twice as likely as the general population to have less than a high school education. Black workers make up a disproportionate share of applicants for disability benefits. Moreover, 38 percent of denied applicants and 25 percent of allowed applicants lived in poverty, compared with 13 percent of the general population.

Retirement insecurity is a complex, compounding issue, and addressing it, especially for those most at risk, requires a multipronged approach. This approach will need to include efforts like SECURE 2.0 that target employer-sponsored and individual retirement savings, but also reforms to Social Security, which continues to provide the largest source of income for older householders.[4] Holistic solutions would also include improving health care and social programs that support those who cannot participate in the labor market. A successful approach would also aim to reduce financially burdensome medical costs, provide insurance against catastrophic spending on long-term services and supports for people who need help with basic personal care, and guarantee affordable housing. More broadly, eliminating structural barriers to economic opportunities and economic mobility may further help bridge racial income and wealth gaps that feed into economic insecurity after one's working years (Kijakazi, Smith, and Runes 2019).

To fulfill the promises of the Constitution's Equal Protection Clause, the federal government must avoid, prohibit, and remedy the effects of discrimination across all its policies and programs, including employer-targeted retirement savings programs like SECURE 2.0.[5] The government is legally authorized and, in some instances legally required, to act to promote fairness and advance equity. Long-standing Supreme Court precedent, key civil rights statutes, and recent executive orders shape these constitutional demands of equal protection. For example, the Supreme Court held more than 50 years ago that even otherwise "neutral" employment policies and practices "cannot be maintained if they operate to 'freeze' the status quo" of prior discrimination.[6] The Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, religion, sex, or national origin and extends to all recipients of federal funds. Equity scoring provides a measurable way to evaluate the federal government's efforts to achieve this important mandate.

Policies Targeting Economic Security among Older and Disabled Adults

Across our analyses of retirement and disability policies, we look at equity in policy funding, access/reach, and outcomes. In each publication, we focus on one of these lenses in our evaluation of a selected policy affecting retirement security. We also discuss how well the policy we study may improve the outcome of economic security.

Economic security—having adequate and stable income to meet basic needs—is essential to individual, neighborhood, and societal well-being. Economic *in*security is widespread in the United

States, especially among Black and Hispanic individuals and families and people with disabilities (Langston 2018) (box 1). Policies ranging from education, to employment, to health care, to criminal justice may create barriers to advancement that make it difficult for people of color, people with disabilities, and other marginalized groups to attain economic security.

Economic security in retirement—or lack thereof—is the outcome of a lifetime of earnings and savings. Because of differences in access to opportunity to earn and save across the life course, the access to programs and structures intended to help people prepare for retirement and achieve financial security in retirement varies among demographic groups.

The Equity Scoring Initiative

The US legislative process uses a well-established approach, called budget scoring, to examine the anticipated budgetary implications of proposed policies. An important component of vetting a policy, projecting a 10-year impact on the deficit via budget scoring encourages accountability to a set of financial and social values. But dollars are an imperfect way of measuring the values of fairness and justice enshrined in the Constitution. If we want to know whether and how well a prospective policy will advance those values and goals, we need a different, complementary scoring process. Equity scoring, or the process of systematically examining a policy or policy proposal's potential impact on fairness and justice in outcomes, is a necessary step in the policy design process.

In recent years, policymakers, funders, policy researchers, and advocates have called for this type of information to drive the policymaking process, resulting in new efforts and advances spearheaded by the Equity Scoring Initiative, a partnership between PolicyLink and Urban Institute. These and related efforts signal that equity scoring is both needed and possible right now.

The current scale of economic insecurity and inequality is untenable for a thriving economy and society. Nearly 100 million people are living at or beyond the brink of precarity, according to our analysis, and this burden is unevenly distributed across racial and ethnic groups (authors' analysis; Langston 2018). Government policy can help alleviate this economic injustice. The magnitude of the challenge suggests a clear focus for policymakers on the change needed to reform historical and contemporary policies and structures that created the gaps we see today. Grounded in a vision of equity that underscores the role and responsibility of the federal government to foster economic vitality and stability for all people, the Equity Scoring Initiative analyzes policies for how well they perform at creating new or improved paths to fair outcomes.

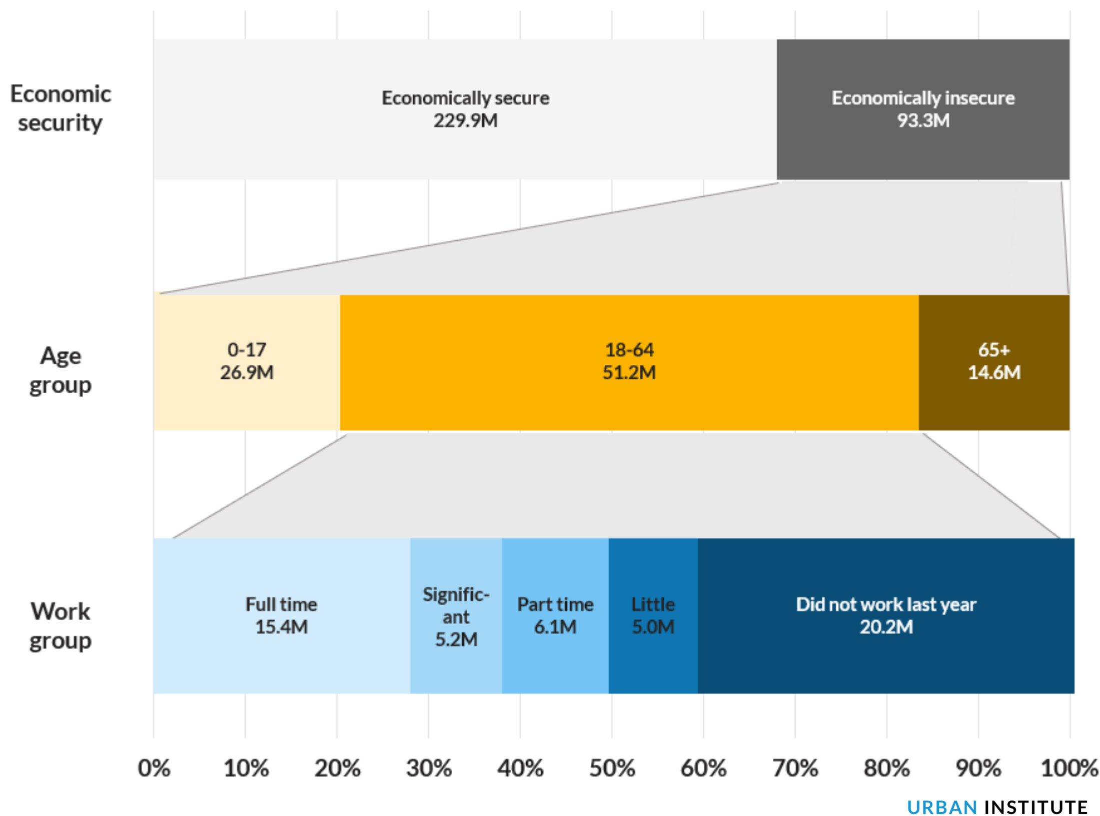
BOX 1

Economic Insecurity and Inequality in the United States Motivates the Equity Scoring Initiative

About a quarter of Americans are economically insecure, defined as living in a household earning income below 200 percent of the federal poverty level (figure A). In 2023, this amounted to a single person making about $29,000 a year or a family of four making $60,000 maximum. Included in this substantial swath of the population are those who cannot attain a basic standard of living as well as those who are one unexpected expense or illness away from economic catastrophe. Simultaneously, a much smaller portion of people have very high incomes. In 2018, people in the top 1 percent of the income distribution received more than 20 percent of the nation's income.[a] Past and current policy have contributed to and propagated this injustice; future policy can repair it.

FIGURE A

Age and Work Profile of Economically Insecure Individuals, 2022



Source: Authors' analysis of 2022 five-year American Community Survey data from IPUMS USA.

Notes: Economically insecure is defined as living in a household earning less than 200 percent of the federal poverty threshold. Figures may not sum to totals because of rounding. Work groups for working-age adults (18–64-year-olds) are defined as follows: full time is at least 35 hours a week and 39 or more weeks per year; significant is either 35 or more hours a week for 27–39 weeks per year or 25–34 hours a week for at least 27 weeks per year; part time is either at least 25 hours a week for 14–26 weeks per year or 10–24 hours a week for at least 14 weeks per year; and little is at least 1 hour a week for at least 1 week per year or working any number of hours for 1–13 weeks per year.

[a] Emmanuel Saez, "Striking It Richer: The Evolution of Top Incomes in the United States (Updated with 2018 estimates)" (Berkeley: University of California, 2020).

How We Analyzed the SECURE 2.0 Act

This demonstration analysis assesses to what extent SECURE 2.0 could improve equity in access to retirement security. A sizable portion of the working-age population has at least one job that is not full time, yet full-time work has been the primary path to employer-sponsored retirement savings accounts. More people could benefit from expanding access to these retirement plans to increase their financial security, especially workers with lower lifetime earnings whose Social Security retirement benefits are unlikely to cover basic expenses (Johnson, forthcoming).

Our analysis is illustrative and not meant to be comprehensive. We focus on the provisions of SECURE 2.0 related to increasing workers' access to an employer-sponsored retirement benefit. We do not provide an overall score for the Act in its entirety. As a first outcome, we project the anticipated access to an employer-provided retirement savings account to illustrate the importance of defining who *could* benefit among those eligible for the policy being examined. We explore scenarios for increased access by *work status* (part-time vs. full-time) and *employer size* because these characteristics are addressed in the provisions we examine. We then look at differences in potential access by race and ethnicity (table 1). To determine how access may relate to outcomes, we discuss how access to such savings plans could reduce economic insecurity for different types of workers. We close by discussing the advantages and limitations of policies focused on access, the necessity of multipronged policy approaches to advancing fairness in outcomes like economic security, and the insights that contribute to the development of an equity scoring system that responds to complex policymaking needs.

TABLE 1

Millions of Workers Lack Access to an Employer Retirement Plan without SECURE 2.0

By work status, employer size, and race/ethnicity 2014

		Work Status		Employer Size	
	Overall	**Part-time**	**Full-time**	**<50 employees**	**≥50 employees**
All races/ethnicities	**31,001,760 (44%)**	12,824,522 (53%)	18,177,238 (39%)	21,069,990 (80%)	9,931,770 (22%)
Asian non-Hispanic	**1,851,692 (52%)**	635,815 (56%)	1,215,877 (50%)	1,208,584 (86%)	643,108 (30%)
Black non-Hispanic	**3,712,801 (37%)**	1,883,047 (48%)	1,829,754 (30%)	1,996,349 (76%)	1,716,452 (23%)
Hispanic	**8,770,324 (56%)**	2,927,577 (62%)	5,842,747 (53%)	5,585,607 (85%)	3,184,717 (35%)
White non-Hispanic	**16,027,928 (40%)**	7,075,868 (50%)	8,952,060 (34%)	11,855,996 (78%)	4,171,932 (17%)

Source: Authors' calculations based on 2014 SSA Supplement data and 2014 SIPP Panel Wave 1 data.

Notes: Sample is economically vulnerable workers, defined as those whose household incomes are below 200 percent of the federal poverty level (unweighted *N* =7,271), Results are weighted to make survey responses nationally representative. Percentages use the denominator of all individuals in the analytic sample of that subgroup (work status or employer size) within each racial-ethnic group. For example, 635,815 economically insecure Asian non-Hispanic part-time workers lack access to a retirement plan; they represent 56 percent of the 1,126,695 total economically insecure Asian non-Hispanic part-time workers.

Provisions We Studied

Of SECURE 2.0's many provisions and titles, we focus on three provisions that will gradually take effect in 2024 and 2025:

- **Required Automatic Enrollment:** Starting in 2025, SECURE 2.0 mandates that employers automatically enroll eligible full-time and newly eligible part-time employees in new 401(k) or 403(b) plans, initiating with a minimum default contribution rate of 3 percent, regardless of salary, tenure, or other characteristics and a rate not exceeding 10 percent. This contribution rate rises incrementally by 1 percentage point annually, reaching a minimum of 10 percent and a maximum of 15 percent. This progressive approach aims to cultivate a culture of consistent retirement savings, fostering employees' financial security.
- **Expanded Tax Credit for Small Businesses**: A significant amendment to current law under SECURE 2.0 involves increasing the tax credit for small businesses offering retirement plans. This new provision extends the credit to cover 100 percent of qualified start-up costs for new plans sponsored by employers with up to 50 employees. For these businesses, the government offers to cover the entire expense of establishing a 401(k) plan, providing annual tax credits of up to $5,000.[7] This incentive is a crucial catalyst for small businesses to actively participate in securing their employees' financial futures.

- **Mandatory Enrollment for Long-Term Part-Time Workers:** Effective from 2024, SECURE 2.0 requires employers to allow long-tenure, part-time workers to participate in the employers' 401(k) plans. The amendment enables employees completing 500 hours of service in three consecutive years to contribute to this type of retirement savings. In 2025, the rules further evolve, compelling employers to offer part-time employees plan participation after two consecutive years with 500 hours.

We focus on these provisions because they are points of access that literature suggests would likely fill known gaps in access and expand benefits for more types of workers.

Data and Population of Interest

We use the nationally representative 2014 Survey of Income and Program Participation (SIPP) Wave 1 data and the 2014 Social Security Administration Supplement (SSA supplement) data. The SSA supplement surveys the same households as the SIPP and provides details about retirement benefits. The period of analysis is before both the SECURE Act and SECURE 2.0. We use pre-SECURE 2.0 data points as a reference point to project the potential impact after the rollout of SECURE 2.0. Our analysis focuses on the respondents who were asked questions related to access to and inclusion in employer-sponsored retirement plans:

- **Access Question:** Does person's job/business offer any kind of pension or retirement plans for anyone in the company or organization? (Respondents asked to exclude Social Security)
- **Eligibility Question:** If a plan is offered, is person eligible to participate in the plan?

The first question is asked of people ages 15 and older who had an employer or were self-employed (i.e., owned a business), and the second question is asked of those who answered the access question affirmatively. We consolidate answers to these two questions into the access and eligibility outcome variable below.

To better understand the impact of SECURE 2.0 on low-income workers, we restrict our sample to respondents in households with incomes below 200 percent of the federal poverty level. Research has consistently shown that households on average need twice that measure to attain basic necessities (Cauthen and Fass 2007; Wallace, Padilla-Frausto, and Smith 2010),[8] therefore many analysts use twice the official federal poverty level as a threshold for economic security. PolicyLink considers families with incomes below 200 percent of the federal poverty level economically insecure (Langston 2018). When

we apply the above criteria, we have an unweighted sample size of 7,271 workers. These estimates are weighted to make results nationally representative.

Key Outcomes and Other Variables of Interest

SECURE 2.0 aims to enhance workplace retirement plan accessibility, particularly for financially vulnerable and low-income workers. As a result, the primary outcome we evaluate is self-reported access to an employer-provided retirement savings plan.[9] While other outcomes, especially the indirect outcome of economic security, are important for evaluating the holistic effects of SECURE 2.0, estimating them in this demonstration analysis is impossible given the nature of SECURE 2.0 and the number of assumptions that would be needed to go from access to a plan to impact on economic well-being. SECURE 2.0 directly incentivizes employer actions to indirectly improve individuals' economic outcomes. Disaggregating individual-level outcomes by characteristics of their employment and employers, therefore, gives us important feedback about the policy's potential impact.

We present statistics based on employer size (fewer than 50 employees or 50 employees or more) and work status (full-time or part-time), as these characteristics are most directly relevant to the provisions of SECURE 2.0 outlined above. We use 50 employees as the cutoff to define small employers, based on SECURE 2.0, as small business tax credits will cover the entire cost of setting up a 401(k) plan, up to $5,000, for employers with up to 50 employees. In keeping with the Bureau of Labor Statistics and in general alignment with the language of SECURE 2.0, we define full-time workers as those who work 35 or more hours a week at their main job or business and part-time workers as those who work 0–34 hours a week.[10]

As a secondary consideration, we examine differences by race and ethnicity (non-Hispanic Asian, non-Hispanic Black, Hispanic, and non-Hispanic white) in anticipated employer-size- and work-status-based effects (see table 1). Examining the intersection of race/ethnicity with employer size and work status provides a more nuanced understanding of the anticipated effect of these policy adjustments and can inform a more targeted and equitable approach to retirement security for future iterations of the SECURE 2.0 Act.

We examine counts of access or eligibility, overall and by subgroup, to give a clear sense of the absolute magnitude of potential change. We could look at proportions or percentages to provide a relative sense of change, but doing so would mask the practical significance of the change we predict. For example, while access to retirement plans is much lower among employees working for small

employers, the number of these employees is also much lower than the number of employees working for large employers. Reporting percentages by employer size would obscure this fact.

Analytical Approach

We evaluate the number of economically insecure individuals with and without access to an employer-sponsored retirement plan by employer size and work status. We then disaggregate these values by race and ethnicity (see table 1). These counts represent the "without SECURE 2.0" policy scenario. We define "with SECURE 2.0" as the optimistic view of the potential expanded access to retirement plans among low-income households because of the legislation—namely, an expansion to cover all the people who currently do not have access to a plan.

In this way, we compute the number of additional workers (*N*) who could be offered or included in a plan as a result of SECURE 2.0. For instance, if 10,000 economically insecure individuals who work for small employers reported that they did not have access to a retirement plan (i.e., pre-SECURE 2.0, *N* without access to a retirement plan = 10,000), and we assume that all small employers avail themselves of the SECURE 2.0 small business tax credit, that translates to a complete increase in plan access following SECURE 2.0 (i.e., *N* with access to a retirement plan following SECURE 2.0 = *N* with access before SECURE 2.0 + 10,000). That 10,000 is the projected total number of workers at small employers who could benefit from the SECURE 2.0 tax credit. We then show partial adoption scenarios to demonstrate how potential effects could vary as employer uptake varies.

Our framework is built upon some key assumptions. First, we offer an optimistic forecast of the number of low-income workers who could directly or indirectly benefit from SECURE 2.0. The small business provision we evaluate uses an incentive-based approach to encouraging small employers to provide retirement plans. Our analyses may overestimate the effect of this provision by assuming various rates of employer adoption of this incentive and rollout to employees. Not every small employer will claim the tax credit, those that do may roll out the benefit unevenly, and not all workers at small employers will participate in any resulting newly offered retirement plan. This set of assumptions is less applicable to the mandatory SECURE 2.0 provisions that we examine (auto-enrollment for new plans and benefits for long-term, part-time workers), but our calculations are still likely to be overly generous because of imperfect employer compliance and implementation.

Second, our definition of "benefits" is narrowly focused on access to and inclusion in retirement plans. These outcomes represent the initial steps toward improving retirement security and equity. But granting employees access does not equate to employees contributing the maximum allowable amount;

much retirement research shows that many employees do not contribute fully to their retirement or savings plans, for reasons ranging from needing more immediate access to their income to relative uncertainty about future savings and cost-of-living needs (Beshears et al. 2009; Reuter 2024).

Third, we rely on self-reported data on plan access from the SIPP. We assume that respondents are aware of their employers' offerings and receive accurate information. This may be a strong assumption to apply to SECURE 2.0 provisions that extend (or encourage an extension of) coverage without requiring notification or automatically enrolling employees in a newly available plan.

Fourth, the COVID-19 pandemic may have altered the nature of work. For example, more workers may have shifted from part-time to full-time work. Consequently, the actual impact of SECURE 2.0 on part-time workers over time could be larger than our estimates. Obtaining more timely data can inform how the pandemic has impacted workers' job statuses and related benefits. The report concludes with suggestions for additional data collection and research questions to explore.

Operationalizing Equity and Generating Equity Scores

Building off a preliminary equity scoring framework (Ashley et al. 2022) and the application of that framework to select policies (Balu et al. 2022), we examine three dimensions of equity improvement comparing a policy proposal to an alternative over time. A policy that improves equity in outcomes would demonstrate

1. **within-group improvement for disfavored group(s):** better outcomes for historically disfavored or worse-off groups under the studied policy than under the status quo;
2. **between-group improvement for disfavored group(s):** more improvement for historically disfavored groups than for historically favored groups, when comparing the studied policy to the status quo (i.e., within-group improvement is greater for historically disfavored than for favored groups); or
3. **within-group improvement for all groups:** shared prosperity reflected in better outcomes for all groups under the studied policy than under the status quo.

These three dimensions can function both independently and collectively to provide a holistic assessment of equity. The time component is particularly important for equity scoring because addressing historical or cumulative disadvantage and harm is what distinguishes equity from equality (which prioritizes achieving the same outcomes at a single point in time). In this demonstration analysis, we compare "with SECURE 2.0" to "without SECURE 2.0" in a hypothetical, scenario-based manner.

Applying scoring requires that we identify the groups that past policy has favored and disfavored. For this analysis, we define full-time workers and individuals working for large employers as the groups favored in earlier legislation. This reflects established evidence on disparities in access to and uptake of retirement plans, showing that private-sector workers at small employers or working part time are significantly less likely to be covered by workplace retirement plans (Urahn et al. 2016).[11]

Workers at small employers and part-time workers typically have limited access to retirement plans; it is costly for small businesses to manage and offer a plan to part-time workers because of their high turnover rate (Pew Charitable Trusts 2016). Other individual-level characteristics (e.g., gender, disability status, education level) act independently and intersectionally to affect access to retirement savings structures and opportunities as well. Alternative approaches to defining who could be favored and disfavored at baseline appear in the conclusion.

With these groups and the key outcomes identified above, we can operationalize the three-part definition of equity improvement as shown in table 2.

TABLE 2

Three Dimensions of Equity Improvement as Applied to Selected Provisions of SECURE 2.0

Dimension	What improvement looks like	How improvement is calculated
Within-group improvement for disfavored group(s)	Individuals working part time or for small employers (historically disfavored groups) have better outcomes with SECURE 2.0 than without SECURE 2.0	$X_{D2} - X_{D1} > 0$ (Median outcome for the historically disfavored group with SECURE 2.0) – (Median outcome for the historically disfavored group without SECURE 2.0)
Between-group improvement for disfavored group(s)	The improvement for part-time workers or those working for small employers with SECURE 2.0 compared to without SECURE 2.0 is larger than the improvement for full-time workers and those working for large employers with SECURE 2.0 compared to without SECURE 2.0	$(X_{D2} - X_{D1}) - (X_{F2} - X_{F1}) > 0$ ((Outcome for the historically disfavored group with SECURE 2.0) – (Outcome for the historically disfavored group without SECURE 2.0)) – ((Outcome for the historically favored group with SECURE 2.0) – (Outcome for the historically favored group without SECURE 2.0))
Within-group improvement for all groups	An extension of within-group improvement wherein people in each demographic group have better outcomes with SECURE 2.0 than without SECURE 2.0	$X_{D2} - X_{D1} > 0$ and $X_{F2} - X_{F1} > 0$ (Outcome for each group with SECURE 2.0) – (Outcome for each group without SECURE 2.0)

Source: Authors' conceptual work.

Notes: The median studied outcome (X) is self-reported access to an employer-sponsored retirement plan, as recorded in the Survey of Income and Program Participation. D= historically disfavored, F= historically favored, 2 = with SECURE 2.0 (the policy being studied), and 1 = without SECURE 2.0 (the status quo).

We can apply these equity improvement measures to our key outcome (access to an employer-provided retirement plan) to determine the direction of change we want to see (table 3).

- For *within-group* improvement for our historically disfavored groups, we would want to see the number of people working for a small employer or working part time with access to an employer-provided retirement plan *increase* after SECURE 2.0 is implemented—that is, for $X_{D2} - X_{D1}$ to be positive.
- For *between-group* improvement for our historically disfavored groups, we would want to see the within-group difference for those working for small employers and those working part time to be greater than the within-group difference for those working for large employer or those working full time—that is, for $(X_{D2} - X_{D1}) - (X_{F2} - X_{F1})$ to be positive.
- For *within group improvement for all groups*, we would want to see better outcomes for both disfavored and favored groups—that is, for $X_{D2} - X_{D1}$ and $X_{F2} - X_{F1}$ to be positive.

Comparing the estimated change to the desired change yields directional equity improvement scores (i.e., increase/decrease) as well as quantitative scores (i.e., specific values).

TABLE 3

Desired Directional Change in Number with Access to Retirement Savings Plan (with SECURE 2.0 – without SECURE 2.0)

Change	Within-group improvement for disfavored group(s) $(X_{D2}-X_{D1}) > 0$	Between-group improvement for disfavored group(s) $(X_{D2} - X_{D1}) - (X_{F2} - X_{F1}) > 0$	Within-group improvement for all groups $(X_{D2} - X_{D1}) > 0$ *and* $(X_{F2} – X_{F1}) > 0$
Access to employer-provided retirement plan	Positive	Positive	Positive

Source: Authors' conceptual work.

Notes: X= studied outcome—in this case, access to employer-provided retirement plan; D= historically disfavored; F= historically favored; 2 = with SECURE 2.0 (the policy being studied); and 1 = without SECURE 2.0 (the status quo).

Projected Impact of SECURE 2.0

Lack of access to retirement plans is widespread among economically insecure individuals. Without SECURE 2.0, a projected 44 percent of all economically insecure employed workers are not covered by an employer-sponsored retirement plan, representing over 31 million people (see table 1).

The gap in access to employer-provided retirement plans is even wider between people working part time relative to those working full time, and between low-income workers working for employers with less than 50 employees relative to those working for bigger employers. Nearly 53 percent of part-time workers lack access to a retirement plan, compared with 39 percent of full-time workers. Looking by employer size, 80 percent of those working for small employers lack access to a plan, a rate that is 3.5 times higher than the 22 percent that lack access at employers with more than 50 employees (see table 1 for details).

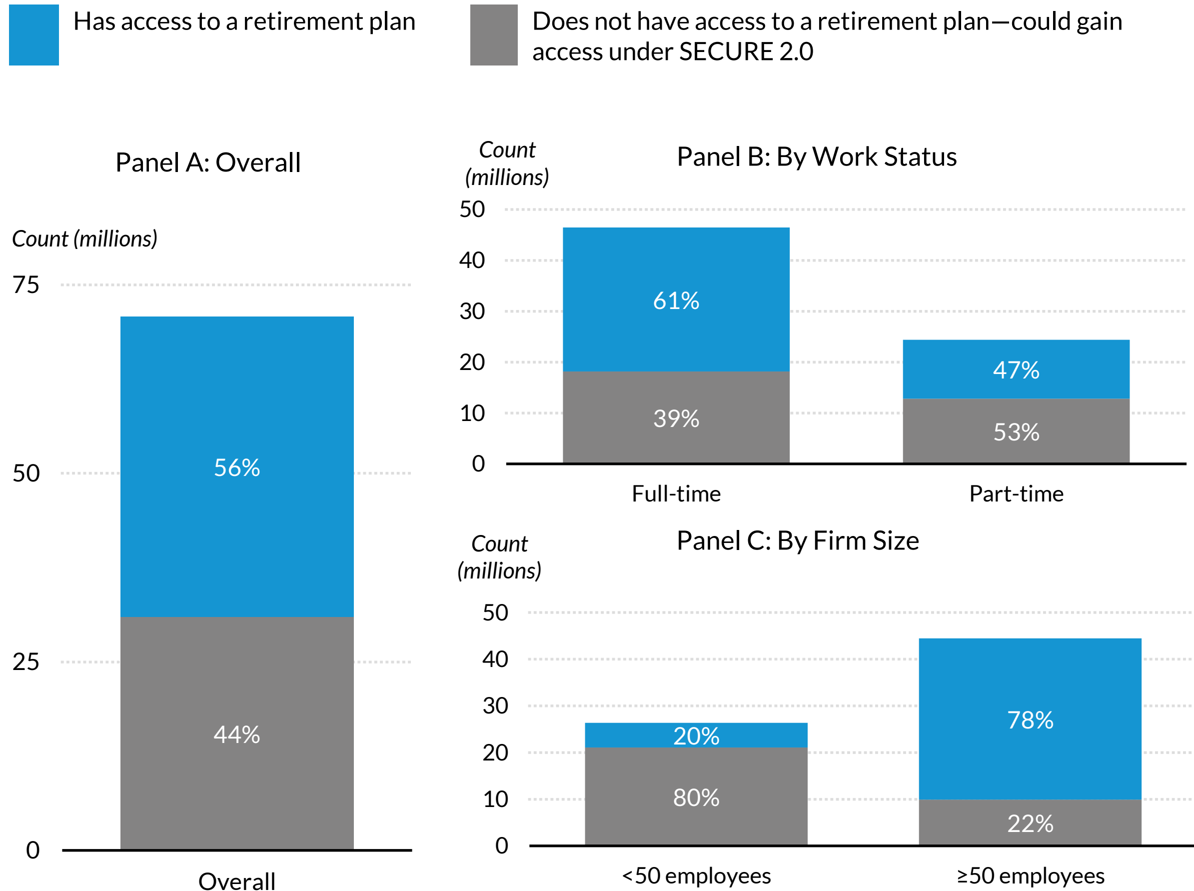
Overall, while part-time workers are relatively more likely than full-time workers to lack access to a retirement plan (53 percent vs. 39 percent), in absolute terms, full-time workers account for a larger number and portion of economically insecure individuals without access to a retirement plan than part-time workers (a projected 18 million full-time workers without access vs. 13 million part-time workers, as shown in figure 1). Furthermore, although small employers employ a forecasted 37 percent of economically insecure individuals, those workers employed by small employers account for the majority of those without access to a retirement plan, in both relative and absolute senses. A projected 80 percent of workers at small employers do not have access to employment-based retirement savings accounts, representing about 21 million workers, relative to 10 million people at larger employers (figure 1).

Although all racial and ethnic subgroups could benefit under SECURE 2.0, workforce composition suggests that Asian and Hispanic economically insecure workers would disproportionately benefit from the additive effects of both full coverage of auto-enrolled retirement plans and full implementation of small business tax credits. An estimated 56 percent of Hispanic workers, representing nearly 8.8 million people, and 52 percent of Asian workers, accounting for over 1.8 million people, work at a job that does not offer them a retirement plan. Among all Asian economically insecure workers employed by small employers, 86 percent of them did not have access to a retirement plan before SECURE 2.0 (see table 1). For Hispanic workers employed by small employers, 85 percent were not covered by a workplace plan.

FIGURE 1

SECURE 2.0 Could Reach 44 Percent of Economically Insecure Workers

Estimated counts (in millions) and percentage of economically insecure employees by access to employer-sponsored retirement plans without SECURE 2.0



Source: Authors' analysis of 2014 SSA Supplement data and 2014 SIPP Panel Wave 1 data.

Notes: Calculations are based on economically insecure workers, defined as those whose household incomes are below 200 percent of the federal poverty level. Results are weighted to make survey responses nationally representative. The numbers of workers who could gain access to an employer-based retirement plan under SECURE 2.0 assume full rollout and full participation of private-sector employers.

Summary of Equity Improvement

The provisions of SECURE 2.0 that we examine do not meet all three dimensions of equity improvement for any scenario of employer adoption and implementation. This is largely because of the persistent gaps in wages and earnings, hours worked, and other baseline differences between part-time and full-time workers that still disadvantage part-time workers. Because we don't know what share of

employers will adopt the provisions and how clearly employers will offer or explain the expanded plans to employees, we present our projected equity scores across different scenarios or rates of employer adoption.

Our projections in table 4 show that SECURE 2.0 would significantly improve within-group equity by increasing access to employer retirement savings for historically disfavored groups (people working part time or for small employers) as well as historically favored groups (people working full time or for large employers). This holds true whether anticipated employer implementation is 80 percent (unlikely) or 40 percent. Under the 80 percent uptake scenario, SECURE 2.0 would boost access to employer retirement savings for 10.3 million part-time workers and 14.5 million full-time workers, as well as by 16.8 million workers at small employers and 8.0 million workers at large employers. The total number of workers with access to an employer-sponsored retirement plan would increase to 64.6 million.

TABLE 4

SECURE 2.0 Would Increase Access to Employer-Provided Retirement Savings Plans, Though Potential Impact Depends on Rate of Employer Adoption

Projected number of workers (in millions) with access to an employer-based retirement plan by work status, employer size, and share of employers adopting examined provisions

		Work Status		Employer Size	
Scenario	**Overall**	**Part-time**	**Full-time**	**Small**	**Large**
Without SECURE 2.0	39.8	11.5	28.3	5.3	34.5
40% employer adoption	52.2	16.7	35.5	13.7	38.5
60% employer adoption	58.4	19.2	39.2	17.9	40.5
80% employer adoption	64.6	21.8	42.8	22.1	42.5
100% employer adoption[a]	70.8	24.4	46.4	26.3	44.5

Source: Authors' calculations based on 2014 SSA Supplement data and 2014 SIPP Panel Wave 1 data.
Notes: Sample is economically insecure workers, defined as those with household incomes below 200 percent of the federal poverty level (unweighted *N* = 7,271). Results are weighted to make survey responses nationally representative.
[a] A 100 percent adoption rate is unlikely without mandated employer implementation.

Building off tables 2 and 3, table 5 summarizes projected equity improvement for SECURE 2.0 across each adoption scenario for our key outcome along the between-group and within-group dimensions of equity improvement. Checkmarks in the table indicate that the change is in the desired direction and would improve equity for the historically disfavored group; cross marks indicate that the change is not in the desired direction and would not improve equity. Where we see projected within-group improvements in a scenario across all groups by worker employment status and employer size, the provisions we examine also satisfy the all-group (shared prosperity) dimension of equity improvement.

TABLE 5

SECURE 2.0 Would Improve Equity in Some Dimensions

Projected change, and direction of change, in number of workers (in millions) with access to an employer-based retirement plan by work status, employer size, and share of employers adopting examined provisions

	Within-Group Improvement				Between-Group Improvement	
Scenario	**Part-time**	**Full-time**	**Small employer**	**Large employer**	**Part-time vs. full-time**	**Small employer vs. large employer**
40% employer adoption	Positive (5.1) ✓	Positive (7.3) ✓	Positive (8.4) ✓	Positive (4.0) ✓	Negative (-2.1) ✕	Positive (4.5) ✓
60% employer adoption	Positive (7.7) ✓	Positive (10.9) ✓	Positive (12.6) ✓	Positive (6.0) ✓	Negative (-3.2) ✕	Positive (6.7) ✓
80% employer adoption	Positive (10.3) ✓	Positive (14.5) ✓	Positive (16.9) ✓	Positive (7.9) ✓	Negative (-4.3) ✕	Positive (8.9) ✓
100% employer adoption[a]	Positive (12.8) ✓	Positive (18.2) ✓	Positive (21.1) ✓	Positive (9.9) ✓	Negative (-5.4) ✕	Positive (11.1) ✓

Source: Authors' estimates based on 2014 SSA Supplement data and 2014 SIPP Panel Wave 1 data.

Notes: Sample is economically insecure workers, defined as those with household incomes below 200 percent of the federal poverty level (unweighted *N* = 7,271). Results are weighted to make survey responses nationally representative. Checkmarks (✓) indicate that SECURE 2.0 would improve equity, and cross marks (✕) indicate that it would not improve equity, for the specified group. Projected change in millions of workers are in parentheses. Within-group improvements are the number of workers with access to employer-sponsored retirement plans under SECURE 2.0 minus the number of workers with access without SECURE 2.0. Between-group improvements are the absolute value of the difference in access between the favored group and the disfavored group (full-time employees and part-time employees, people working for a large employer and people working for a small employer) with SECURE 2.0, minus the absolute value of the difference in access between the favored and disfavored groups without SECURE 2.0.

[a] A 100 percent adoption rate is unlikely without mandated employer implementation.

For the between-group equity improvement dimension, the results are mixed. People working full time will gain greater access to employer-based retirement plans under SECURE 2.0 than those working part time. Even though the number of economically insecure part-time workers with access to employer retirement savings will nearly double (assuming 80 percent uptake), which represents higher *proportional* growth relative to the roughly 1.5-fold increase among full-time workers, the between-group gap will grow in *absolute* terms (i.e., counts of people) because far more people work full time than part time. That is, outcomes improve more for full-time workers (historically favored group) than they do for part-time workers (historically disfavored group). This gap in retirement plan access between part-time and full-time workers widens as the projected rate of employer uptake increases. On the other hand, between-group gaps decrease between workers at small and large employers: SECURE 2.0 would benefit a forecasted 8.9 million more workers at small employers than those working for large employers (assuming 80 percent uptake).

Because of the undesired results for between-group equity, SECURE 2.0 does not meet all three dimensions of equity improvement in terms of employment status, but it does in terms of employer size.

What Do SECURE 2.0's Provisions around Access to Retirement Plans Illustrate about Equity Scoring?

This report demonstrates how to apply dimensions of equity improvement to a federal policy aimed at increasing private-sector workers' access to employer retirement plans. Because the US retirement, health, and other systems assume employers are offering workers long-term savings options to complement government-provided benefits, decisionmakers need to analyze access to employer accounts to understand what it will take to create fair outcomes related to economic security. All scenarios of adoption and rollout we examined show similar movement toward equity improvement. Our scenarios also illustrate how impact could increase with greater adoption, to offer policymakers a way to consider what level of employer implementation would achieve meaningful change.

However, given the broader contexts of precarious employment, limited pathways for growth in many part-time jobs, and other labor force factors that create inequitable conditions, access to retirement savings alone will not address the broader goals of improving job quality and building wealth.

As a forthcoming methodology paper notes, a full equity score needs to consider who has access to the proposed policy or program change, funding levels and sources for the proposed legislation, and forecasted outcomes. Increased access to a program, while a necessary first step toward improving policy outcomes, rarely moves outcomes on its own in any policy area, be it education, work, or health. Our analysis shows that even access-oriented policies still have much room for improvement—especially when the policy is incentivizing an external or intermediary organization, such as a private or nonprofit employer, to extend access. Some policy analysts have pointed to the long history of retirement saving tax incentives that, like many other tax incentives, have disproportionately benefited the wealthy (Toder, Berger, and Zhang 2016). SECURE 2.0 critics have argued, therefore, that relying on the law's employer incentives would not meaningfully boost retirement security and wealth building (Iwry, John, and Gale 2024). Examining SECURE 2.0's other provisions and the bill overall could yield different conclusions about whether the policy improves equity in retirement security and wealth building.

For the upcoming debate about SECURE Act 3.0, we highlight policy choices related to improving access and consider whether employees who currently lack access to retirement savings accounts (or plans) will experience meaningful change.

Encouraging versus Requiring Employers to Increase Access

If policymakers are aiming for all employers to offer all workers access to retirement plans, they will need to design implementation and accountability structures to ensure full access is realized. In addition, policymakers need to consider a suite of policies to boost retirement security outcomes, not just an offer of a new kind of retirement or savings plan. The SECURE 2.0 provisions that we examine encourage employers to provide retirement-saving benefits to more types of workers, potentially increasing access. But SECURE 2.0 does not uniformly *require* an extension of those benefits, so it's hard to predict how the bill will translate to improved access for individual workers. Employers may opt not to take advantage of incentives, or they may do so at different rates or for different subgroups of employees. We are unlikely to see 100 percent adoption with tax credits alone. Future scoring could show the projections associated with an employer incentive versus an employer mandate, auto-enrollment versus opt-in features, and other design choices on the continuum of access-oriented policies. Each of these choices has obvious and unintended consequences that warrant examination.

Adjusting the Timing and Amount of Distributions from Retirement Savings Plans

If policymakers are interested in reducing extreme advantages for the wealthy, they could examine provisions for a required minimum distribution—the amount of money someone must withdraw from a retirement savings account each year. Required minimum distribution rules help ensure that retirees pay taxes on tax-deferred retirement savings while living, largely to prevent wealthy retirees from leaving funds in tax-privileged accounts indefinitely, potentially for generations. SECURE 2.0 and SECURE changed the required age for taking distributions from 70½ to 75 (which the Joint Committee on Taxation estimated will cost $9.6 billion in lost revenue) and exempted Roth 401(k) accounts from required minimum distributions.[12] Those already-enacted changes disproportionately benefit affluent retirees and the investment industry that manages retirees' and others' assets, without offering a comparable advantage to increasing access to savings mechanisms or future savings amounts in ways that advantage workers in part-time or precarious jobs (Iwry, John, and Gale 2024).[13]

Examining the Groups Who Continue to Be Disfavored and Favored

Future policy and analysis can also examine who *should* disproportionately benefit from SECURE Act provisions. Social Security Income (SSI) recipients are one example of a group that currently will not benefit. SSI provides most of its nearly 8 million participants, all of whom are low-income disabled adults or children, with their only source of monthly income. Those participants are not allowed to have more than $2,000 in savings, an asset limit that has not been updated (e.g., to adjust for inflation) since the 1980s. Critics argue that SECURE 2.0 does very little to make it easier for SSI participants to save for retirement, despite clear evidence that SSI and Social Security payments alone will not sufficiently cover participants' living expenses.[14] SECURE 3.0 could consider revisions or other mechanisms to address this population disadvantage.

Implications for Equity Scoring of Access-Oriented Proposals

All these considerations and policy choices have implications for data collection. When people gain access to a benefit through an intermediary, like an employer, rather than from the government directly, bills could require employers to record outreach, implementation, and employee take-up rates the way a government distribution might appear in an administrative dataset. These records would allow analysts to measure the intermediary's actions as important outputs that can shift the individual worker's actions. More standardized reporting of data would allow effects to be measured more uniformly. When more nuanced data are available, analysts can more comprehensively evaluate the policy's efficacy and potential to close gaps between part-time and full-time workers.

Future analyses also should assess outcomes that would follow from employer adoption, such as employee enrollment in retirement savings plans, savings amounts, early withdrawals, savings lapses, and other measures that might indicate whether eligible workers are still experiencing economic insecurity despite access to a retirement savings plan. Such analysis might find that SECURE 2.0 has minimal impact or even unintended consequences for the economically burdened workers addressed in these analyses.

To assess equity improvement requires comparing the within- and between-group differences affected by the policy, as well as considering which groups were favored and disfavored before the proposed policy change. We chose part-time and full-time workers and small-business versus large-business employees for the SECURE 2.0 Act because those groups were included (favored) or excluded

(disfavored) in earlier legislation. The equity scoring approach considers what policies and systems of implementation created these advantages or disadvantages. Then equity scoring uses the prior decisions of the legislation and data about inclusion or exclusion to determine who is favored or disfavored. As policies and systems evolve to address and redress past exclusions, the groups that equity scoring would compare may evolve and change as well.

This analysis of SECURE 2.0 is not yet at the stage of scoring that could inform or trigger certain legislative procedures. Before we could use equity scoring to reward or penalize the structure of SECURE 3.0, we would have to know how well SECURE 2.0 improves equity. We would then consider how to reward the implementation of the policy that would provide access to more people over time or to key subpopulations more quickly. Other dimensions would indicate whether access is provided at the right stage or timing to produce improved outcomes. At the same time, we would need to consider how to penalize a policy for continuing disadvantages that increase economic insecurity for low-income workers or advantages to those who are wealthy and already economically secure.

Notes

[1] Iwry, John, and Gale (2024) summarize key provisions of the Act, including strengthened auto features, credits and matching for retirement savers, shifts toward pension models of receiving retirement income, and managing retirement accounts. See also the Joint Committee on Taxation, "Estimated Revenue Effects of H.R. 2954, as Amended, The 'Securing a Strong Retirement Act of 2022,'" https://www.jct.gov/publications/2022/jcx-3-22/; and the Congressional Budget Office, "CBO's Estimate of the Statutory Pay-as-You-Go Effects of H.R. 2954, the Securing a Strong Retirement Act of 2022, as posted on the website of the Clerk of the House on March 25, 2022," https://www.cbo.gov/system/files/2022-03/hr2954paygotable.pdf.

[2] Poverty estimates shown here use the US Census Bureau's Supplemental Poverty Measure, which accounts for people's location, homeownership status, out-of-pocket medical spending, taxes, and the value of in-kind benefits (food stamps, for example).

[3] Janis Bowdler and Benjamin Harris, "Racial Inequality in the United States," US Department of the Treasury, July 21, 2022, https://home.treasury.gov/news/featured-stories/racial-inequality-in-the-united-states.

[4] "Income Sources of Older Households," US Census Bureau, February 8, 2022, https://www.census.gov/newsroom/press-releases/2022/income-sources-older-households.html.

[5] See US Const. art. XIV, § 1.

[6] Griggs v. Duke Power Co., 401 U.S. 424, 430 (1971)

[7] Details of the retirement plans startup costs tax credit are available at https://www.irs.gov/retirement-plans/retirement-plans-startup-costs-tax-credit.

[8] Gregory Acs, "A Better Measurement of Inflation Doesn't Mean a Better Measure of Poverty," *Urban Wire* (blog), Urban Institute, June 12, 2019, https://www.urban.org/urban-wire/better-measure-inflation-doesnt-mean.

[9] Access corresponds to the first survey question on whether an employer offers a plan. If offered, employees would have access to a plan. Eligibility corresponds to the second survey question on, if offered, whether a specific employee is eligible to participate in a plan. For example, pre-SECURE 2.0, many part-time employees are not eligible for a retirement plan. Eligibility rules could vary by employers as well as retirement plans.

[10] See the US Bureau of Labor Statistics, "Handbook of Methods: Glossary," https://www.bls.gov/opub/hom/glossary.htm#F.

[11] "Consumer Price Index for the Elderly," TED: The Economics Daily, US Bureau of Labor Statistics, March 2, 2012, https://www.bls.gov/opub/ted/2012/ted_20120302.htm.

[12] Joint Committee on Taxation, "Estimated Revenue Effects of H.R. 2954, as Amended, the 'Securing a Strong Retirement Act of 2022,'" https://www.jct.gov/publications/2022/jcx-3-22/.

[13] See also Justin Elliott, Patricia Callahan and James Bandler, "Lord of the Roths: How Tech Mogul Peter Thiel Turned a Retirement Account for the Middle Class Into a $5 Billion Tax-Free Piggy Bank," Propublica, June 24, 2021, https://www.propublica.org/article/lord-of-the-roths-how-tech-mogul-peter-thiel-turned-a-retirement-account-for-the-middle-class-into-a-5-billion-dollar-tax-free-piggy-bank.

[14] Lee Harris, "Wall Street Wins Again on Retirement Savings," The American Prospect, December 22, 2022, https://prospect.org/economy/wall-street-wins-again-on-retirement-savings.

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