

Andrew Biggs' latest Forbes column ([“Two Decades Ago, Progressives Warned of a Retirement Crisis. It Didn't Happen,”](#) May 29, 2020) is a study in cognitive bias. When confronted with mounting evidence that Americans are woefully unprepared for retirement, his response can be boiled down to the ostrich effect—“Nothing bad has happened, so nothing bad WILL happen.” Disbelieving and minimizing threats, as he does, is just as bad as defaulting to a worst-case scenario, as he often does with public pensions.

As is usually the case with Biggs' analysis, the truth lies somewhere closer to the middle. Many Americans ARE underprepared to sustain their standard of living, or anything close to it, in retirement and they are deeply concerned. In the face of recent stock market shocks, of course it is prudent for workers to concern themselves with this. Dismissing the concerns is cynical and unproductive.

Here are the facts: 32 million Americans have no retirement savings, and 55 million work for an employer that offers no retirement savings or pension whatsoever. It doesn't take a quantum physicist or a rocket scientist to realize that this is a recipe for disaster.

Fortunately, the problem isn't universal. In the U.S., millions of public sector workers are covered by defined benefit pension plans, which provide a modest but reliable source of income during retirement. When supplemented by private savings and, where available, Social Security, a pension offers a firm underpinning for financial security in what should be workers' golden years.

And there is the SecureChoice model, which—since its inception in 2011--has become the linchpin in efforts by state and local governments to help private-sector workers save for retirement. SecureChoice harnesses the investment expertise that already exists in public pension systems to help workers save where savings is often the most successful: In the workplace, through payroll deduction.

There's nothing wrong with healthy skepticism, and we shouldn't make a bogeyman of things we cannot see. But we can see a retirement crisis coming, and it is very real. Ignoring it is profoundly short-sighted.

Respectfully,

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