

### Participation Rates by Moderate Income (\$30,000-\$50,000) Workers – IRA Only vs. Employer Plan



= 2 percent



No employer plan - IRA only (4.6%)

Cover by Employer Plan (71.5%)

401(k) plans are very effective at helping workers save for retirement. Data shows that over 70% of workers earning from \$30,000 to \$50,000 participated in employer-sponsored plans when a plan was available, whereas less than 5% of those without an employer plan contributed to an IRA.

LESS THAN **5%** OF WORKERS **SAVE** FOR RETIREMENT WITHOUT A WORKPLACE PLAN

*Source: Employee Benefit Research Institute (2010) estimate using 2008 SIPP (Covered by an Employer Plan) and EBRI estimate (not covered by an Employer Plan-IRA only).*